STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 3

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(11/2001)

(See Instruction on Reverse Side)

RECEIVED
APR 0 3 2007
DIV. OF OIL, GAS & MINING

! CONFIDENTIAL

ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION, CO. RW 23-32BW

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. <u>Formation Tops</u>

The estimated tops of important geologic markers are as follows:

| Formation | Depth | Prod. Phase Anticipated |
|-------------|---------|-------------------------|
| Uinta | Surface | _ |
| Green River | 2800' | |
| Mahogany | 3700' | |
| Wasatch | 6205' | Oil / Gas |
| TD | 7705' | |

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

| Substance | Formation | Depth | |
|-----------|----------------------|-------|--|
| Oil/Gas | Green River /Wasatch | 7,705 | |

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right #36125 or Red Wash water right #49-2153 to supply fresh water for drilling purposes.

All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION, CO. RW 23-32BW

DRILLING PROGRAM

- 3. Operator's Specification for Pressure Control Equipment:
 - A. 3,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
 - B. Functional test daily
 - C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, (or 70% of burst whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
 - D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

4. <u>Casing Program</u>

| | <u>Depth</u> | Hole Size | Csg Size | <u>Type</u> | Weight |
|---------|--------------|-----------|----------|-------------|-----------------------|
| Surface | 750' | 12 1/4" | 9 5/8" | J-55 | 36 lb/ft (new) ST&C |
| Prod. | 7000' | 7 7/8" | 5 ½" | J-55 | 15.5 lb/ft (new) LT&C |
| TD | 7705' | 7 7/8" | 5 ½" | J-55 | 17 lb/ft (new) LT&C |

5. <u>Auxiliary Equipment</u>

- A. Kelly Cock yes
- B. Float at the bit no
- C. Monitoring equipment on the mud system visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor yes
- E. Rotating Head yes
 If drilling with air the following will be used:
 The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- F. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').

DRILLING PROGRAM

- G. Compressor shall be tied directly to the blooie line through a manifold.
- H. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

- 6. Testing, logging and coring program
 - A. Cores none anticipated
 - B. DST none anticipated

Logging – Mud logging – 4500 to TD GR-SP-Induction Neutron Density MRI

C. Formation and Completion Interval: Green River / Wasatch interval, final determination 0f completion will be made by analysis of logs.
 Stimulation – Stimulation will be designed for the particular area of interest as encountered.

ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION, CO. RW 23-32BW

DRILLING PROGRAM

7. <u>Cementing Program</u>

<u>Casing</u> <u>Volume</u> <u>Type & Additives</u>

Surface 428sx Class "G" single slurry mixed to 15.6 ppg, yield = 1.19

cf/sx. Cement to surface with 428 cf (1541sx) calculated.

Tail plug used. Allowed to set under pressure

Production Lead-544sx* Lead/Tail oilfield type cement circulated in place.

Tail-697sx* Tail slurry: Class "G" + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Tail

to 5000' (±500' above production zone).

Cement Characteristics:

Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Lead to surface. Tail plug used. Allowed to set

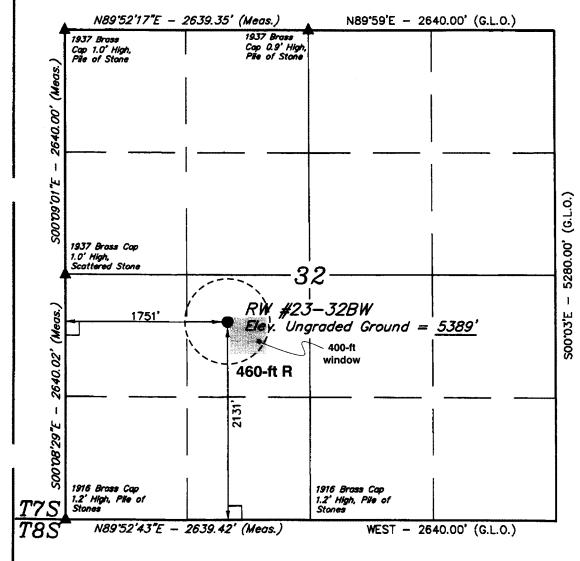
under pressure.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3806.0 psi. Maximum anticipated bottom hole temperature is 140° F.

^{*}Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

T7S, R23E, S.L.B.&M.



(NAD 83)

LATITUDE = $40^{\circ}09'52.76''$ (40.164656) LEGEND: = 90° SYMBOL

= PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

LONGITUDE = $109^{\circ}21'14.93''$ (109.354147) (NAD 27)

LATITUDE = $40^{\circ}09'52.89''$ (40.164692) LONGITUDE = $109^{\circ}21'12.47''$ (109.353464)

QUESTAR EXPLR. & PROD.

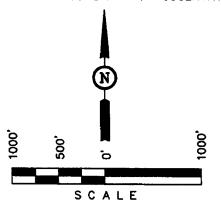
Well location, RW #23-32BW, located as shown in the NE 1/4 SW 1/4 of Section 32, T7S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY, SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



THIS IS TO CERTIFY THAT THE ABO FIELD NOTES OF ACTUAL SURVEY SUPERVISION AND THAT THE S BEST OF MY KNOWLEDGE AND



UINTAH ENGINEERING 85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

| 1" = 1000' | | DATE SURVEYED: 01-19-07 | DATE DRAWN: 01-22-07 | | |
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| WEATHER | | FILE | | | |
| COLD | | QUESTAR EXP | QUESTAR EXPLR. & PROD. | | |

Additional Operator Remarks

Questar Exploration & Production, Co. proposes to drill a well to 7705' to test the Wasatch. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirement.

See Onshore Order No. 1 attached

Please be advised that Questar Exploration & Production, Co. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. 965003033. The principal is Questar Exploration & Production, Co. via surety as consent as provided for the 43 CFR 3104.2.

ONSHORE OIL & GAS RDER NO. 1 QUESTAR EXPLORATION & PRODUCTION, CO. RW 23-32BW

DRILLING PROGRAM

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ONSHORE OIL & GAS ORDER NO. 1 QUESTAR EXPLORATION & PRODUCTION, CO. RW 23-32BW

DRILLING PROGRAM

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ONSHORE OIL & GAS RDER NO. 1 QUESTAR EXPLORATION & PRODUCTION, CO. RW 23-32BW

DRILLING PROGRAM

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ONSHORE OIL & GAS RDER NO. 1 QUESTAR EXPLORATION & PRODUCTION, CO. RW 23-32BW

DRILLING PROGRAM

7. Cementing Program

| <u>Casing</u> | <u>Volume</u> | Type & Additives |
|---------------|---------------|---|
| Surface | 257sx | Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Cement to surface with 257 cf (1541sx) calculated. Tail plug used. Allowed to set under pressure |

Production Lead-489sx*

Lead/Tail oilfield type cement circulated in place. Tail slurry: Class "G" + gilsonite and additives as Tail-697sx*

required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Tail

to 5000' (\pm 500' above production zone).

Cement Characteristics:

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3M BOP STACK

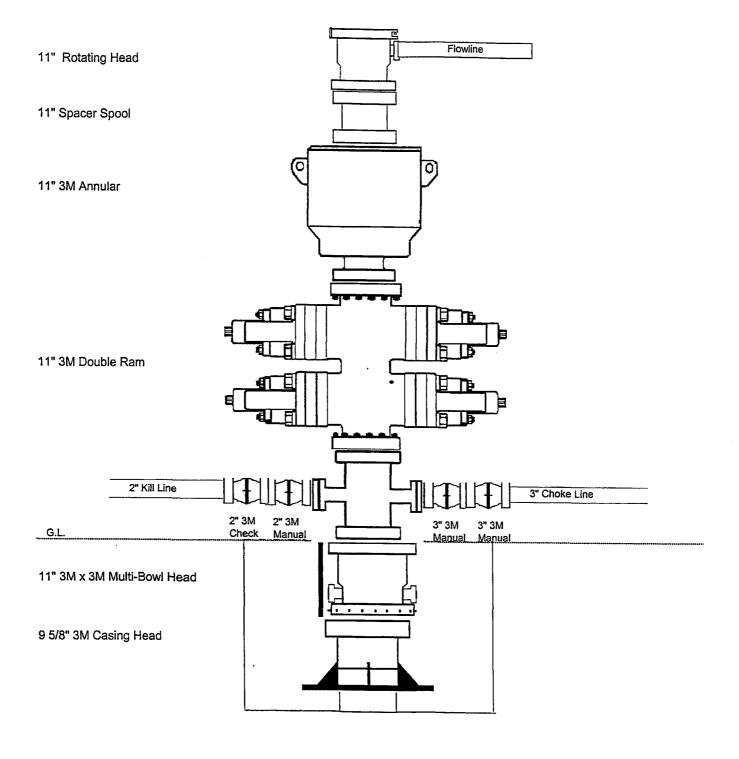
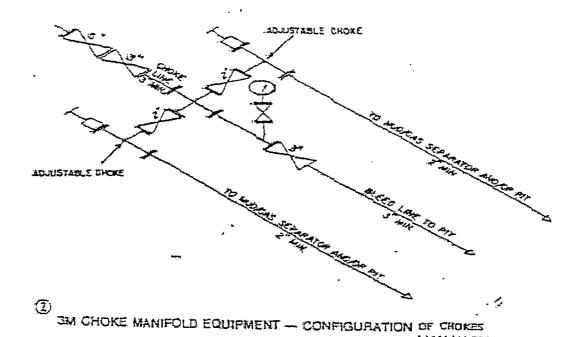


EXHIBIT A CONTINUED

16312 Federal Register / Vol. 53. No. 223 / Friday, November 15, 1988 / Rules and Regulations



MAY VARY

Lessee's or Operator's Representative:

Jan Nelson Red Wash Rep. Questar Exploration & Production, Co, 11002 East 17500 South Vernal, Utah 84078 (435) 781-4331

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Questar Exploration & Production, Co. fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Questar Exploration & Production, Co. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Jan Nelson Date

Red Wash Representative

Paleontological Reconnaissance Report

Questar Energy's Proposed Well Pads, Access Roads and Pipelines for "RW #21-32-BW & #23-32-BW" (Sec. 32, T 7 S, R 23 E)

> Red Wash Topographic Quadrangle Uintah County, Utah

March 1, 2007

Prepared by Stephen D. Sandau Paleontologist for Intermountain Paleo-Consulting P. O. Box 1125 Vernal, Utah 84078

INTRODUCTION

At the request of Jan Nelson of Questar Energy and authorized by James Kirkland of the Office of the State Paleontologist, a paleontological reconnaissance survey of "RW #21-32-BW & #23-32-BW" (Sec. 32, T 7 S, R 23 E) was conducted by Larry Trimble and Rush Harris on February 21, 2007. The survey was conducted under Utah Paleontological Investigations Permit #07-356. This survey to collect any paleontological materials discovered during the construction processes in danger of damage or destruction was done to meet requirements of the National Environmental Policy Act of 1969, and other State and Federal laws and regulations that protect paleontological resources.

FEDERAL AND STATE REQUIREMENTS

As mandated by the US Department of the Interior Bureau of Land Management, paleontologically sensitive geologic formations in BLM lands that are considered for exchange or may be impacted due to ground disturbance require paleontological evaluation. This requirement complies with:

- 1) The National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321.et. Seq., P.L. 91-190);
- 2) The Federal Land Policy and Management Act (FLPMA) of 1976 (90 Stat. 2743, 43 U.S.C. § 1701-1785, et. Seq., P.L. 94-579).
- 3) The National Historic Preservation Act.16 U.S.C. § 470-1, P.L. 102-575 in conjunction with 42 U.S.C. § 5320; and
- 4) The Utah Geological Survey. S. C. A.: 63-73-1. (1-21) and U.C.A.: 53B-17-603.

Under policy dictated by the BLM Manual and Handbook H-8270-1 (July, 1998) formations are ranked according to their paleontological potential:

- Condition 1 is applied to those areas known to contain fossil localities, and special consideration of the known resources is in need of evaluation.
- Condition 2 is applied to areas that have exposures of geologic rock units known to have produced fossils elsewhere.
- Condition 3 is applied to areas unlikely to produce fossils based on surficial geology.

Although these guidelines apply mostly to vertebrate fossils, they are equally designed to help protect rare plant and invertebrate fossils and will be used here for State lands as well. It should be noted that many fossils, though common and unimpressive in and of themselves, can be important paleo-environmental, depositional, and chronostratigraphic indicators.

LOCATION

Questar Energy's "RW #21-32-BW & #23-32-BW" (Sec. 32, T 7 S, R 23 E) are located on lands managed by the State of Utah Trust Lands Administration (SITLA) in the Cottonwood and Sand Wash area, 5-6 miles southwest of the White River, and some 17 miles southeast of Ouray, Utah. The project area can be found on the Red Wash 7.5 minute U. S. Geological Survey Quadrangle Map, Uintah County, Utah.

PREVIOUS WORK

The basins of western North America have long produced some of the richest fossil collections in the world. Early Cenozoic sediments are especially well represented throughout the western interior. Paleontologists started field work in Utah's Uinta Basin as early as 1870 (Betts, 1871; Marsh, 1871, 1875a, 1875b). The Uinta Basin is located in the northeastern corner of Utah and covers approximately 31,000 sq. km (12,000 sq. miles) ranging in elevation from 1,465 to 2,130 m (4,800 to 7,000 ft) (Marsell, 1964; Hamblin et al., 1987). Middle to late Eocene time marked a period of dramatic change in the climate, flora, (Stucky, 1992) and fauna (Black and Dawson, 1966) of North America.

GEOLOGICAL AND PALEONTOLOGICAL OVERVIEW

Early in the geologic history of Utah, some 1,000 to 600 Ma, an east-west trending basin developed creating accommodation for 25,000 feet of siliclastics. Uplift of that filled-basin during the early Cenozoic formed the Uinta Mountains (Rasmussen et al., 1999). With the rise of the Uinta Mountains the asymmetrical synclinal Uinta Basin is thought to have formed through the effects of down warping in connection with the uplift. Throughout the Paleozoic and Mesozoic deposition fluctuated between marine and non-marine environments laying down a thick succession of sediments in the area now occupied by the Uinta Basin. Portions of these beds crop out on the margins of the basin due to tectonic events occurring during the late Mesozoic.

Early Tertiary Uinta Basin sediments were deposited in alternating lacustrine and fluvial environments. Large shallow lakes periodically covered most of the basin and surrounding areas during early to mid Eocene time (Abbott, 1957). These lacustrine sediments show up in the western part of the basin, dipping 2-3 degrees to the northeast and are lost in the subsurface on the east side. The increase of cross-bedded, coarse-grained sandstone and conglomerates preserved in paleo-channels indicates a transition to a fluvial environment toward the end of the epoch.

Four Eocene formations are recognized in the Uinta Basin: the Wasatch, Green River, Uinta and Duchesne River, respectively (Wood, 1941). The Uinta Formation is subdivided into two lithostratigraphic units namely: the Wagonhound Member (Wood, 1934), formerly known as Uinta A and B (Osborn, 1895, 1929) and the Myton Member previously regarded as the Uinta C.

Within the Uinta Basin in northeast Utah, the Uinta Formation in the western part of the basin is composed primarily of lacustrine sediments inter-fingering with over-bank deposits of silt and mudstone and westward flowing channel sands and fluvial clays, muds and sands in the east (Bryant et al, 1990; Ryder et al, 1976). Stratigraphic work done by early geologists and paleontologists within the Uinta Formation focused on the definition of rock units and attempted to define a distinction between early and late Uintan faunas (Riggs, 1912; Peterson and Kay, 1931; Kay 1934). More recent work focused on magnetostratigraphy, radioscopic chronology and continental biostratigraphy (Flynn, 1986; Prothero, 1996). Well known for its fossiliferous nature and distinctive mammalian fauna of mid-Eocene Age, the Uinta Formation is the type formation for the Uintan Land Mammal Age (Wood et al, 1941).

The Duchesne River Formation of the Uinta Basin in northeastern Utah is composed of a succession of fluvial and flood plain deposits composed of mud, silt and sandstone. The source area for these late Eocene deposits is from the Uinta Mountains indicated by paleocurrent data (Anderson and Picard, 1972). In Peterson's (1931c) paper, the name "Duchesne Formation" was applied to the formation and it was later changed to the "Duchesne River Formation" by Kay (1934). The formation is divided up into four members: the Brennan Basin, Dry Gulch Creek, LaPoint and Starr Flat (Anderson and Picard, 1972). Debates concerning the Duchesne River Formation, as to whether its age was late Eocene or early Oligocene, have surfaced throughout the literature of the last century (Wood et al., 1941; Scott 1945). Recent paleomagnetostratigraphic work (Prothero, 1996) shows that the Duchesne River Formation is late Eocene in time.

FIELD METHODS

In order to determine if the proposed project area contained any paleontological resources, a reconnaissance survey was performed. An on-site observation of the proposed areas undergoing surficial disturbance is necessary because judgments made from topographic maps alone are often unreliable. Areas of low relief have potential to be erosional surfaces with the possibility of bearing fossil materials rather than surfaces covered by unconsolidated sediment or soils.

When found within the proposed construction areas, outcrops and erosional surfaces were checked to determine if fossils were present and to assess needs. Careful effort is made during surveys to identify and evaluate significant fossil materials or fossil horizons when they are found. Microvertebrates, although rare, are occasionally found in anthills or upon erosional surfaces and are of particular importance.

PROJECT AREA

The project area is situated in the Brennan Basin Member of the Duchesne River Formation. The following list provides a description of the individual wells and their associated pipelines and access roads.

RW-21-32-BW

The proposed access road and pipeline start in the NW/NW quarter-quarter section of Sec 32, T 7 S, R 23 E and travel to the north east for approximately 700' to the well pad which is located in the NE/NW quarter-quarter section of Sec. 32, T 7 S, R 23 E (Figure 1). The access road, pipeline and well pad are located on light red, pink and gray mudstone with interbeds of fine grained tan sandstone. The area is gypsipherous. No fossils were found.

RW-23-32-BW

The proposed access road and pipeline start in the SW/NE quarter-quarter section of Sec.32, T 7 S, R 23 E and travel to the southwest for approximately a quarter mile to the NE/SW quarter-quarter section of Sec. 32, T 7 S, R 23 E (Figure 1). The access road, pipeline and well pad are located on light red, pink and gray mudstone with interbeds of fine grained, thin and medium bedded, tan sandstone. No fossils were found.

SURVEY RESULTS

| PROJECT | GEOLOGY | PALEONTOLOGY |
|--|---|---------------------------------------|
| "RW-21-32-BW" (Sec. 32, T 7 S, R 23 E) | The access road, pipeline and well pad are located on light red, pink and gray mudstone with interbeds of fine grained tan sandstone. The area is gypsipherous. | No fossils were found. Condition 2 |
| "RW-23-32-BW" (Sec. 32, T 7 S, R 23 E) | The access road, pipeline and well pad are located on light red, pink and gray mudstone with interbeds of fine grained, thin and medium bedded, tan sandstone. | No fossils were found. Condition 2 |

RECOMMENDATIONS

A reconnaissance survey was conducted for "RW #21-32-BW & #23-32-BW" (Sec. 32, T 7 S, R 23 E). The well pads, together with their associated access roads and pipelines covered in this report showed no signs of vertebrate fossils. Therefore, we recommend that no paleontological restrictions should be placed on the development of the projects included in this report.

Buried pipeline will encounter Uinta sediments along most of the staked pipeline corridors yet indications from surface fossils predict that little if any vertebrate fossils will be disturbed.

Nevertheless, if any vertebrate fossil(s) are found during construction within the project area, Operator (Lease Holder) will report all occurrences of paleontological resources discovered to a geologist with the Vernal Field Office of the BLM. The operator is responsible for informing all persons in the areas who are associated with this project of the requirements for protecting paleontological resources. Paleontological resources found on the public lands are recognized by the BLM as constituting a fragile and nonrenewable scientific record of the history of life on earth, and so represent an important and critical component of America's natural heritage. These resources are afforded protection under 43 CFR 3802 and 3809, and penalties possible for the collection of vertebrate fossils are under 43 CFR 8365.1-5.

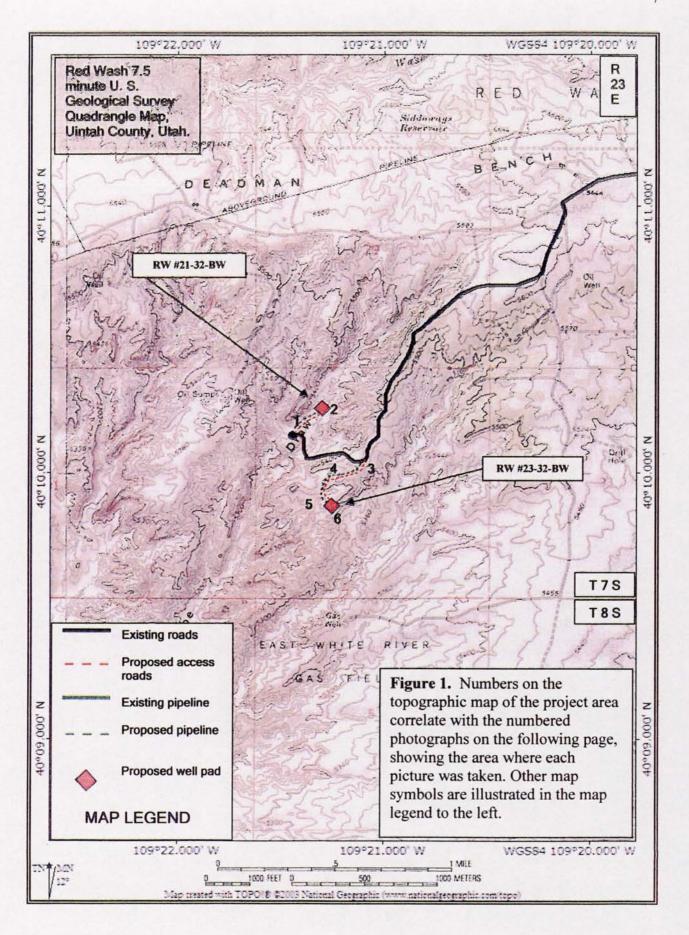


Figure 1. continued...



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QUESTAR EXPLR. & PROD.

RW #23-32BW

LOCATED IN UINTAH COUNTY, UTAH SECTION 32, T7S, R23E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

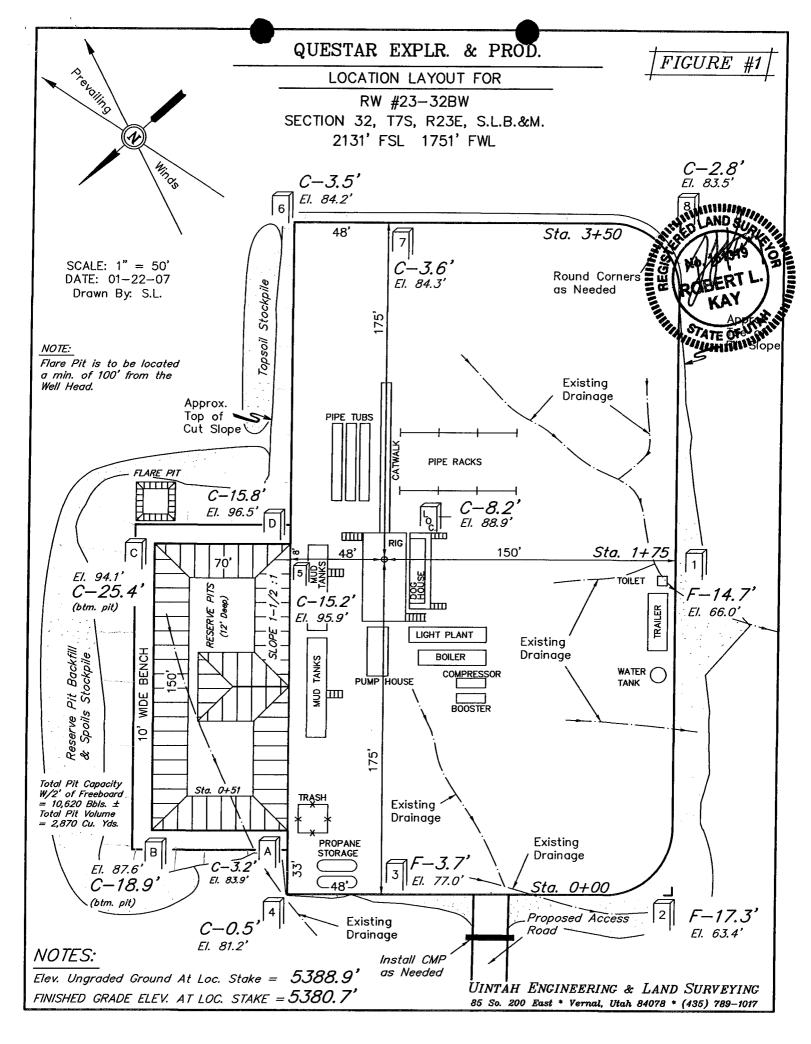
CAMERA ANGLE: SOUTHERLY

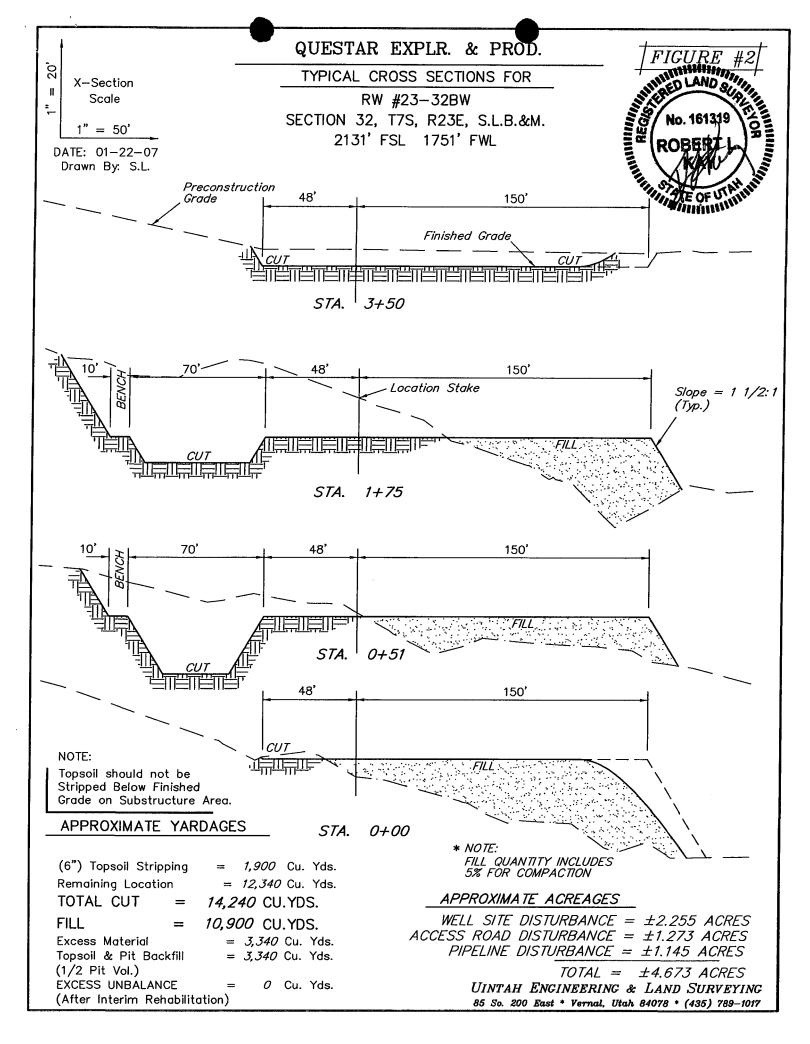


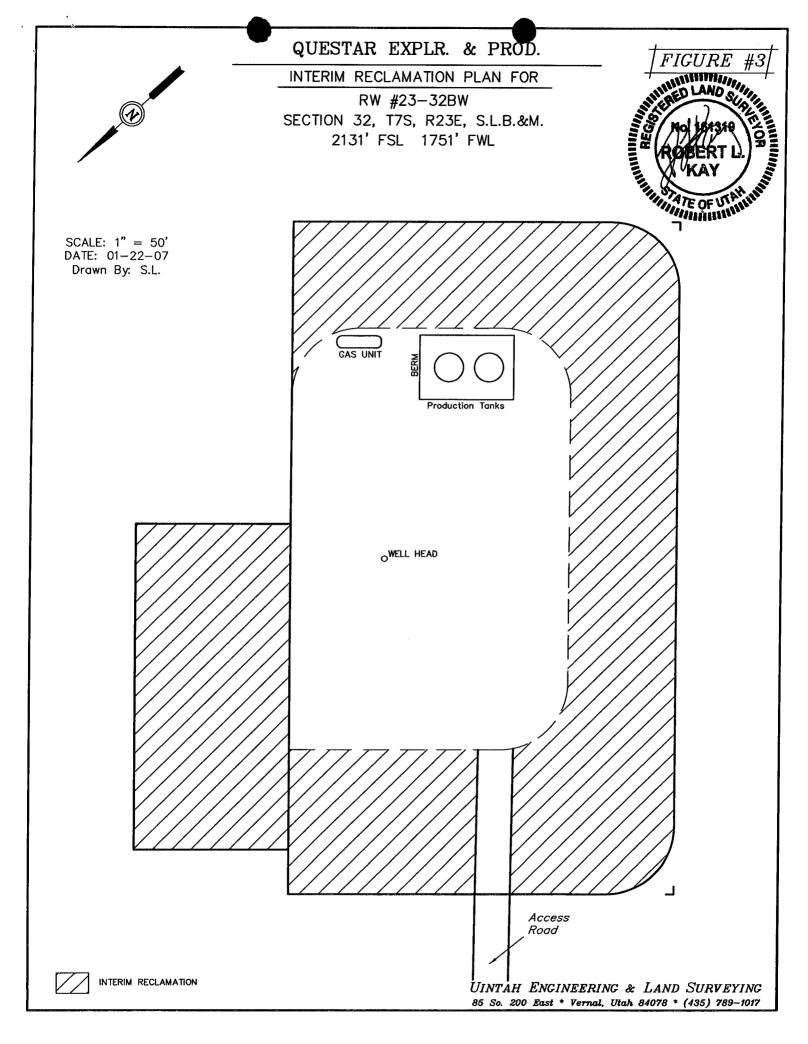
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

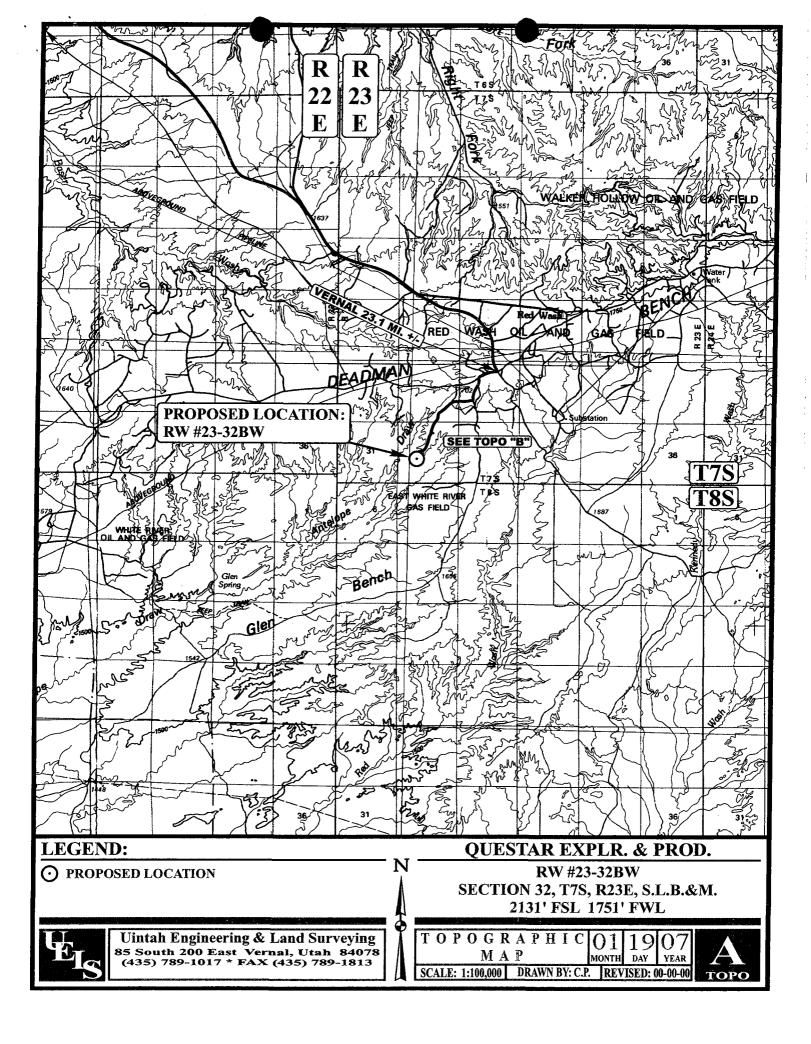
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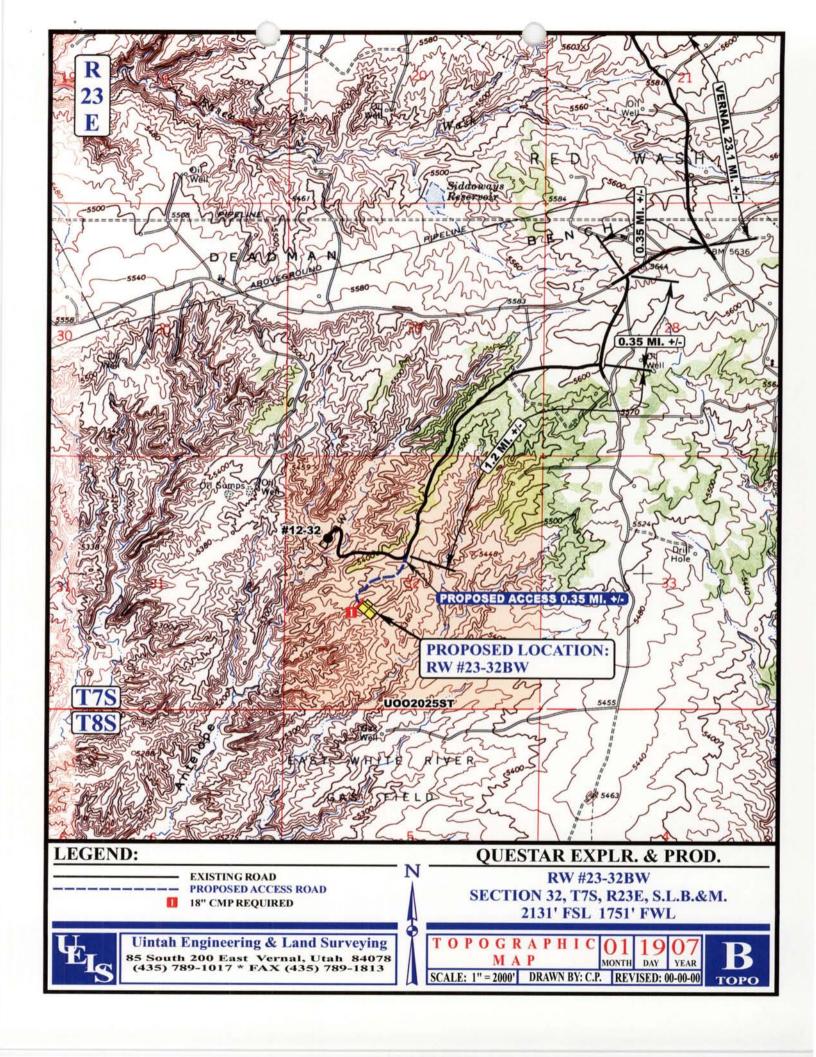
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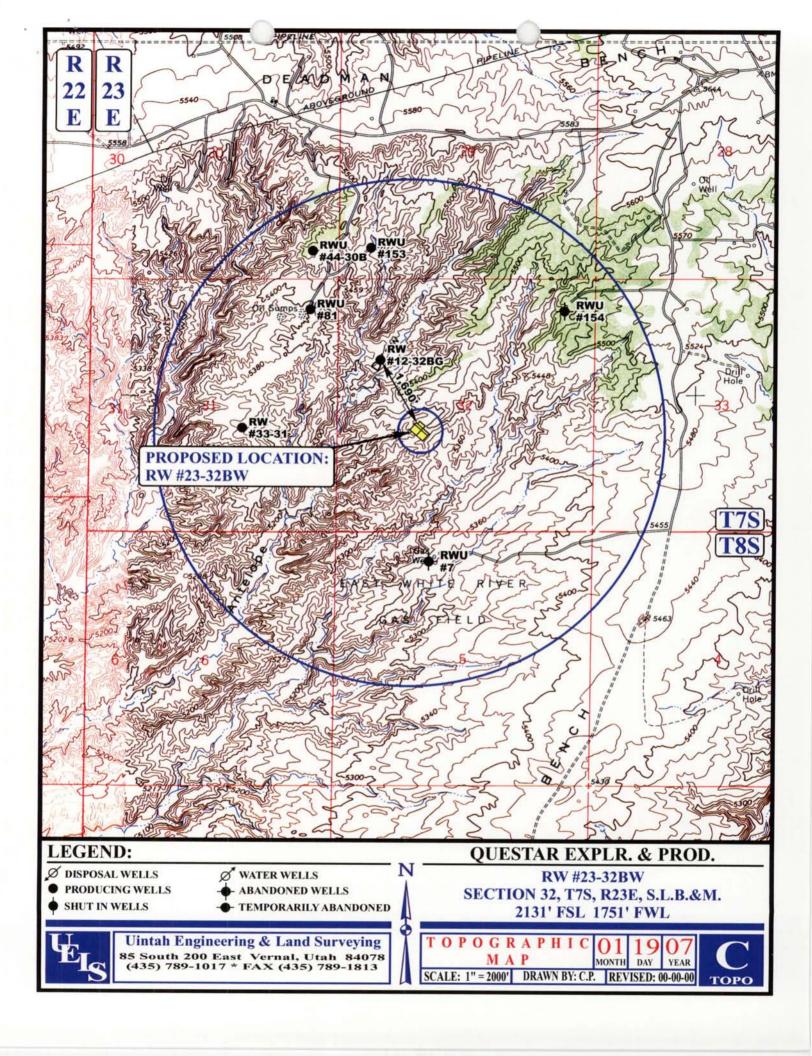


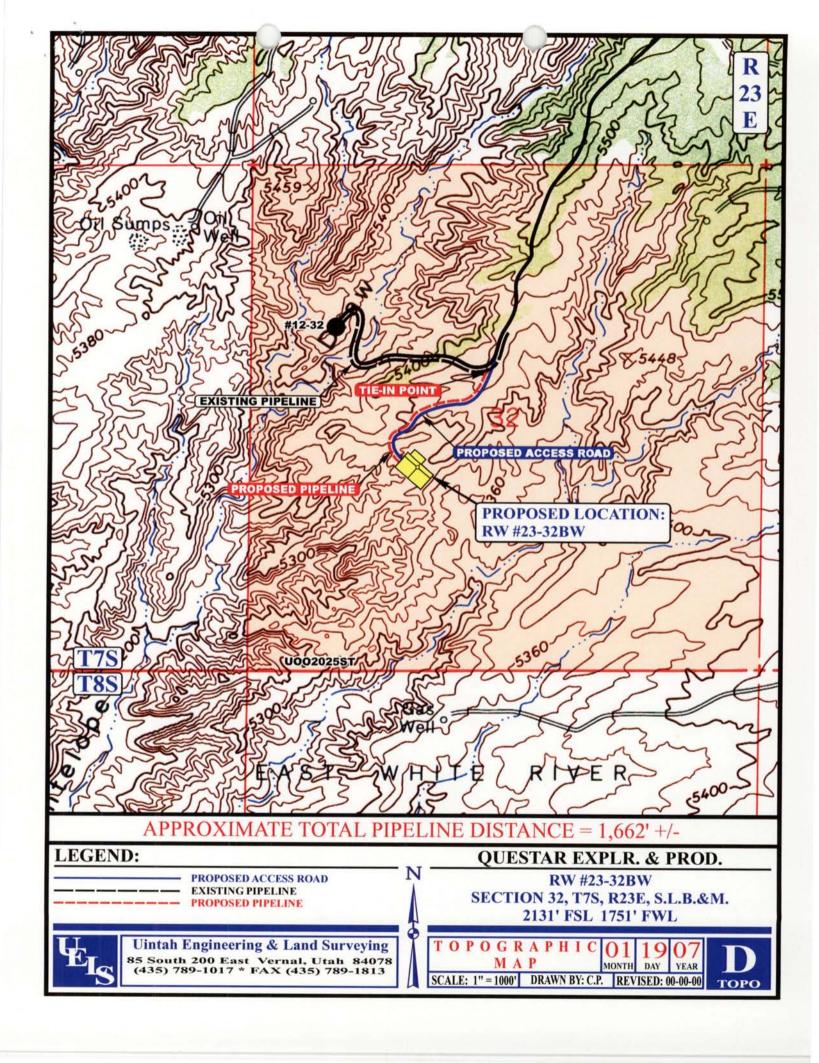












CULTURAL RESOURCE INVENTORY
OF QUESTAR E&P's PROPOSED
WELL LOCATIONS RW #21-32 BW AND #23-32 BW
IN T 7S R 23E, SECTION 32,
UINTAH COUNTY, UTAH

RECEIVED

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DIV. OF OIL, GAS & MINING

CULTURAL RESOURCE INVENTORY OF QUESTAR E&P's PROPOSED WELL LOCATIONS RW #21-32 BW AND #23-32 BW IN T 7S R 23E, SECTION 32, UINTAH COUNTY, UTAH

By:

Todd B. Seacat

Prepared For:

State of Utah
School and Institutional Trust Lands Administration

Prepared Under Contract With:

Questar E & P 11002 East 17500 North Vernal, Utah 84078

Prepared By:

Montgomery Archaeological Consultants, Inc. P.O. Box 219 Moab, Utah 84532

MOAC Report No. 07-40

March 23, 2007

United States Department of Interior (FLPMA)
Permit No. 06-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-07-MQ-0236s

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants, Inc. (MOAC) in March 2007 of Questar E&P's proposed RW #21-32 BW and #23-32 BW well locations with associated access/pipeline corridors. The project area is located on the north end of Antelope Draw in Uintah County, Utah. The survey was implemented at the request of Ms. Jan Nelson, Questar E&P, Vernal, Utah. A total of 30.8 acres was surveyed on lands administered by the State of Utah School and Institutional Trust Lands Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Environmental Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed between March 1 and 12, 2007 by Todd Seacat (Field Supervisor) under the auspices of U.S.D.I. (FLPMA) Permit No. 06-UT-60122, State of Utah Antiquities Permit (Survey) No. U-07-MQ- 0236s issued to MOAC, Moab, Utah.

A file search for previous cultural resource inventories and archaeological sites was conducted by Keith Montgomery at the BLM Vernal Field Office on February 21, 2007. This consultation indicated that several surveys have been completed near the project area, although no previously documented archaeological sites occur in the immediate project area. In 1996, Senco Phenix inventoried the Red Wash Trust #259 and #260 well locations (Senulis 1996). A prehistoric lithic scatter (42Un2371) was documented in Township 7S, Range 23E, Section 16 consisting of five pieces of debitage and is evaluated as not eligible to the NRHP. In 2003, MOAC inventoried nine proposed well locations with associated access routes for Shenandoah Energy, Inc. resulting in the documentation of two historic sites (42Un3192 and 42Un3193) and two isolated finds of artifacts (Bond 2003). Neither of these sites were recommended eligible to the NRHP. Also in 2003, Questar's proposed well locations RWU #34-22C-7-24 and RWU #34-27C-7-24 were surveyed by MOAC resulting in negative results (Elkins 2003). In 2004, MOAC inventoried Questar's RW #14-34A, RW #34-27A, RW #32-27A, and RW #43-23A well locations with no cultural resources found (Montgomery and Shank 2004). In 2005, MOAC inventoried Questar's proposed wells RW#24-16BG, #31-16BG, and #32-16BG with no cultural resources found (Montgomery and Lower-Eskelson 2005). In 2006, MOAC inventoried Questar E&P's RW #12-32bg, Alt. #1 well location resulting in no cultural resources (Bond and Whitfield 2006).

DESCRIPTION OF THE PROJECT AREA

Questar E&P's proposed well locations RW #21-32 BW and #23-32 BW with associated access/pipeline corridors are located on the north end of Antelope Draw and south of Deadman Bench, in Uintah County, Utah. The legal description is the Section 32, Township 7 South, Range 23 East (Table 1, Figure 1).

Table 1. Questar E&P's Proposed RW Well Locations.

| Western Commencer Co | Legal Location | The second of the second secon | Cultural Resources |
|--|----------------------------|--|--------------------|
| RW #21-32 BW | T7S, R23E NE/NW Sec. 32 | Access: 500 ft Pipeline: 600 ft | None |
| RW #23-32 BW | T7S, R23E NE/SW Sec. 32 | Access: 1200 ft Pipeline: 1400 ft | None |

Environment

The project area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The entire Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. In general, the project area falls within the Central Badlands District as defined by Clarke (1957), an area of broad erosional benches with extensive badlands rims along the drainages, which continue to dissect the benches. Specifically, the inventory area is situated on a small ridge in the bottom of Antelope Draw, south of a broad, flat mesa known as Deadman Bench. The project area is characterized by shale bedrock with residual surface sediments and alluvially redeposited sand. The sides of the canyon are comprised of steeply sloping shale capped with sandstone rims. The oldest formation present is the early Tertiary Uinta formation that is characterized by low, eroded hills of variegated red and gray claystone, mudstone, and shale. The Uinta formation is known for its fossil vertebrate turtles, crocodilians, fish, and mammals. In addition, old piedmont-slope deposits, most likely of Pleistocene age, mantle the upland ridge tops and benches.

The major water course in the study area is the drainage in Antelope Draw. The Green River is also located about 10 miles to the north. Elevation ranges between 5360 ft and 5400 ft asl. Vegetation in the project area includes juniper, saltbush, sagebrush, greasewood, prickly pear cactus, and bunch grasses. Modern disturbances include livestock grazing, modern trash, roads, and oil/gas development.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At each proposed well location, a 10 acre square parcel was defined, centered on the well pad center stake. The interior of the well location was examined for cultural resources by the archaeologist walking parallel transects spaced no more than 10 m (33 ft) apart. The access/pipeline corridor was surveyed to a width of 61 m (200 ft). Ground visibility was considered good. A total of 30.8 acres was inventoried for cultural resources on SITLA land.

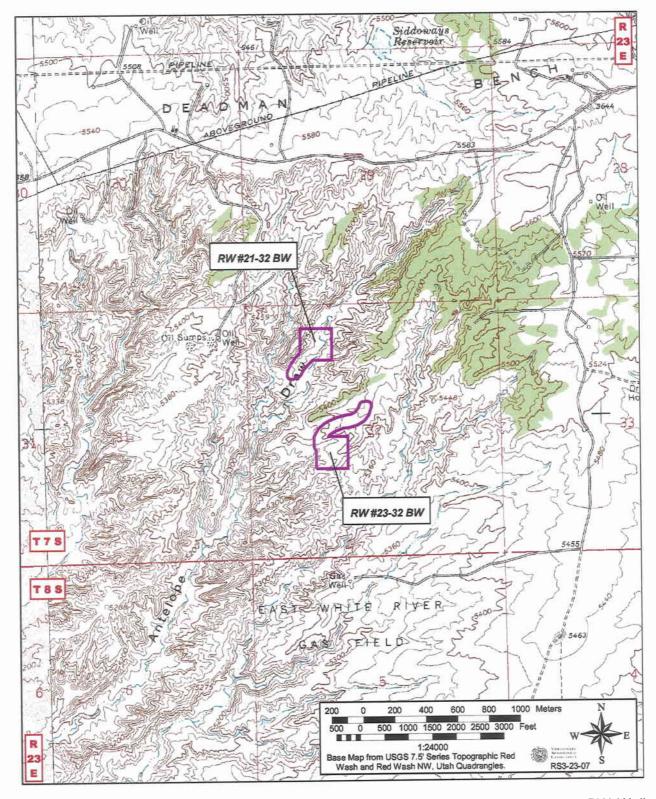


Figure 1. Inventory Area of Questar E&P's Proposed RW #21-32 BW and #23-32 BW Well Locations with Access and Pipeline Corridors, Uintah County, Utah.

RESULTS AND RECOMMENDATIONS

The inventory of Questar E&P's proposed RW #21-32 BW and #23-32 BW well locations with access/pipeline corridor resulted in no new or previously recorded cultural resources. Based on the findings, a determination of "no historic properties affected" is recommended for the project pursuant to Section 106, CFR 800.

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2003 Cultural Resource Inventory of Shenandoah Energy's Nine Proposed Well Locations

With Associated Access Routes on Deadman Bench, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Report No. U-03-MQ-0293b.

Bond, M., and A. Whitfield

2006 Cultural Resource Inventory of Questar E & P's Proposed Well Location RW #12-

32BG Alt. #1, Uintah County, Utah. Montgomery Archaeological Consultants, Moab,

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Elkins, M.

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#34-27C-7-24 Pipeline, Uintah County, Utah. Montgomery Archaeological

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Montgomery, K. R. and D. Shank

2004 Cultural Resource Inventory of Questar's RW #14-34A, RW #34-27A, RW #32-27A,

and RW #43-23A Wells on Deadman Bench, Uintah County, Utah. Montgomery

Archaeological Consultants, Moab, Utah. Report U-04-MQ-0280b.

Montgomery, K. R. and K. Lower-Eskelson

2005 Cultural Resource Inventory of Questar's Proposed RW #21-26AG, RW #41-26AG,

and RW #43-26AG Wells On Deadman Bench, Uintah County, Utah. Montgomery

Archaeological Consultants, Moab, Utah. Report U-05-MQ-0205b.

Senulis, J.

1996 Cultural Resource Inventory of Red Wash Trust #259 and #260 Well Locations for

Chevron U.S.A., Inc., Uintah County, Utah. Senco-Phenix, Report No. U-96-SC-

0551s.

Stokes, W.L.

1986 Geology of Utah. Utah Museum of Natural History and Utah Geological and Mineral

Survey, Salt Lake City, Utah.





11002 East 17500 South Vernal, UT 84078

March 21, 2007

Division of Oil, Gas & Mining 1594 W. N. Temple STE 1210 Salt Lake City, UT 84114-5801

To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3 Questar Exploration & Production, Co. RW 23-32BW is an exception to this rule due to topography.

There are no additional lease owners within 460' of the proposed location. If you have any question please contact Jan Nelson @ (435) 781-4032.

Thank you,

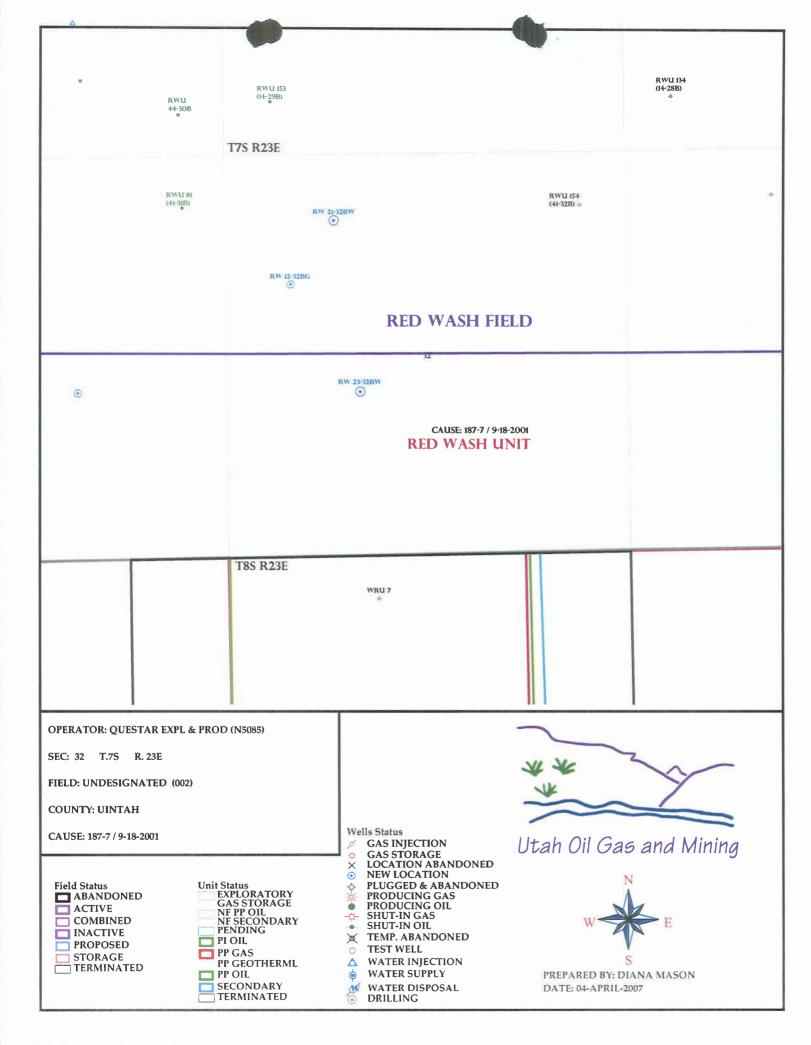
Jan Nelson

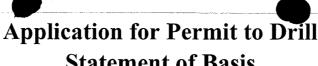
Regulatory Affairs

RECEIVED
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DIV. OF OIL, GAS & MINING

| APD RECEIVED: 04/03/2007 | API NO. ASSIGNED: 43-047-39182 |
|--|---|
| WELL NAME: RW 23-32BW OPERATOR: QUESTAR EXPLORATION & (N5085) CONTACT: JAN NELSON | PHONE NUMBER: 435-781-4032 |
| PROPOSED LOCATION: NESW 32 070S 230E SURFACE: 2131 FSL 1751 FWL BOTTOM: 2131 FSL 1751 FWL COUNTY: UINTAH | INSPECT LOCATN BY: / / Tech Review Initials Date Engineering DKD 5//6/0-7 |
| LATITUDE: 40.16477 LONGITUDE: -109.3534 UTM SURF EASTINGS: 640221 NORTHINGS: 444713 FIELD NAME: UNDESIGNATED (2) | Geology Surface |
| LEASE TYPE: 3 - State LEASE NUMBER: UTO-02025-ST SURFACE OWNER: 3 - State | PROPOSED FORMATION: WSTC COALBED METHANE WELL? NO |
| Plat Bond: Fed[] Ind[] Sta[] Fee[] (No | LOCATION AND SITING: R649-2-3. Unit: RED WASH R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception Drilling Unit Board Cause No: 187-07 Eff Date: |
| | EMENT OF BASIS |





Statement of Basis

5/1/2007

373

Utah Division of Oil, Gas and Mining

Page 1

No

S

APD No API WellNo **Surf Ownr CBM** Status Well Type

GW

Operator QUESTAR EXPLORATION & PRODUCTIO Surface Owner-APD

Well Name RW 23-32BW Unit RED WASH

Field **UNDESIGNATED** Type of Work

43-047-39182-00-00

Location NESW 32 7S 23E S 2131 FSL 1751 FWL GPS Coord (UTM) 640221E 4447134N

Geologic Statement of Basis

QEP proposes to set 450 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 4,900 feet. A search of Division of Water Rights records shows 10 water wells within a 10,000 foot radius of the proposed location. They are owned by oilfield operators with the purpose listed as oilfield use. These wells would be water supply wells for the Red Wash oil field which were converted from previously producing wells. The wells are all nearly 6,000 feet in depth. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and is not expected to produce prolific aquifers. The production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole. The proposed casing and cement program should adequately protect usable ground water in the area.

Brad Hill **APD Evaluator** Date / Time

Surface Statement of Basis

The site is in Uintah County, Utah in the Red Wash Oilfield area approximately 23 miles southeast of Vernal, UT. The area is within Antelope Draw, which drains southwesterly approximately 9 miles into the White River. No streams or springs are known in the immediate area. Drainages are ephemeral containing flows only during spring runoff and intense summer storms. Broad open flats characterize the topography or gentle ravines intersected by sometimes-steep sided hills sloping into deep drainages.

Access to the site from Vernal, UT is following the Bonanza State Highway southeasterly, to the Glenn Bench road then following this road and existing oilfield development roads to within 0.35 miles of the site. New road will be constructed from this point.

The RW # 23-32B location begins with the reserve pit extending to the top of a ridge and is laid out in an eastwest direction on the south side of this ridge. Several draws or swales begin within the location and will be excavated or covered with fill requiring no diversions. The pad extends south and west to a topography break into a steep sided deep canyon. Corner 8 will be rounded so as not to deposit any fill into the bottom of an adjacent wash. Numerous washes also occur to the west and join this deep canyon. Sandstone bedrock is exposed on the location and as vertical cliffs on the draws and canyons in the area. Although not a good site for constructing a pad, it is the only possibility in the immediate are. No stability problems should occur.

Both the surface and minerals are owned by SITLA. Ed Bonner represented SITLA at the pre-site visit.

Daniel Emmett representing the UDWR stated that the area is classified as yearlong critical habitat for antelope. He stated that the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Ed Bonner of SITLA and Jan Nelson of OEP a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when re-vegetating the locations.



5/1/2007

Utah Division of Oil, Gas and Mining

Page 2

Floyd Bartlett
Onsite Evaluator

4/24/2007 **Date / Time**

Conditions of Approval / Application for Permit to Drill

Category

Condition

Pits

A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be

properly installed and maintained in the reserve pit.

Utah Division of Oil, Gas and Mining

Operator

QUESTAR EXPLORATION & PRODUCTION CO

Well Name

RW 23-32BW

API Number

43-047-39182-0 **APD No** 373

Field/Unit UNDESIGNATED

Location: 1/4,1/4 NESW

Sec 32 Tw

Rng 23E

2131 FSL 1751 FWL

GPS Coord (UTM) 640218

4447128

Surface Owner

Participants

Floyd Bartlett (DOGM), Jan Nelson and Darrel Knop (Questar), Daniel Emmett (UDWR), Ed Bonner (SITLA).

7S

Regional/Local Setting & Topography

Site is in Uintah County, Utah in the Red Wash Oilfield area approximately 23 miles southeast of Vernal, UT. The area is within Antelope Draw, which drains southwesterly approximately 9 miles into the White River. No streams or springs are known in the immediate area. Drainages are ephemeral containing flows only during spring runoff and intense summer storms. Broad open flats characterize the topography or gentle ravines intersected by sometimes-steep sided hills sloping into deep drainages.

Access to the site from Vernal, UT is following the Bonanza State Highway southeasterly, to the Glenn Bench road then following this road and existing oilfield development roads to within 0.35 miles of the site. New road will be constructed from this point.

The RW #23-32B location begins with the reserve pit extending to the top of a ridge and is laid out in an east-west direction on the south side of this ridge. Several draws or swales begin within the location and will be excavated or covered with fill requiring no diversions. The pad extends south and west to a topography break into a steep sided deep canyon. Corner 8 will be rounded so as not to deposit any fill into the bottom of an adjacent wash. Numerous washes also occur to the west and join this deep canyon. Sandstone bedrock is exposed on the location and as vertical cliffs on the draws and canyons in the area. Although not a good site for constructing a pad, it is the only possibility in the immediate are. No stability problems should occur.

Both the surface and minerals are owned by SITLA.

Surface Use Plan

Current Surface Use

Grazing

Wildlfe Habitat

New Road

Miles Well Pad

Src Const Material

Surface Formation

0.35

Width 258

Length 350

Onsite

UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Sparse desert type community. Scattered plants include mat saltbrush greasewood, daisys, lomatium, prickly pear curly mesquite, onions evenong primrose, black sage, ephedra and spring annuals.

Soil Type and Characteristics

Shallow rocky sandy clay

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potental Observed? N Cultural Survey Run? N Cultural Resources? N

Reserve Pit

| Site-Specific Factors | | Site 1 | Ranking | | |
|--------------------------------------|------------------|--------------------|---------|---|-------------------|
| Distance to Groundwater (feet) | >200 | | 0 | | |
| Distance to Surface Water (feet) | >1000 | | 0 | | |
| Dist. Nearest Municipal Well (ft) | >5280 | | 0 | | |
| Distance to Other Wells (feet) | 300 to 1320 | | 10 | | |
| Native Soil Type | Mod permeability | | 10 | | |
| Fluid Type | Fresh Water | | 5 | | |
| Drill Cuttings | Normal Rock | | 0 | | |
| Annual Precipitation (inches) | <10 | | 0 | | |
| Affected Populations | <10 | | 0 | | |
| Presence Nearby Utility Conduits | Not Present | | 0 | | |
| | | Final Score | 25 | 1 | Sensitivity Level |

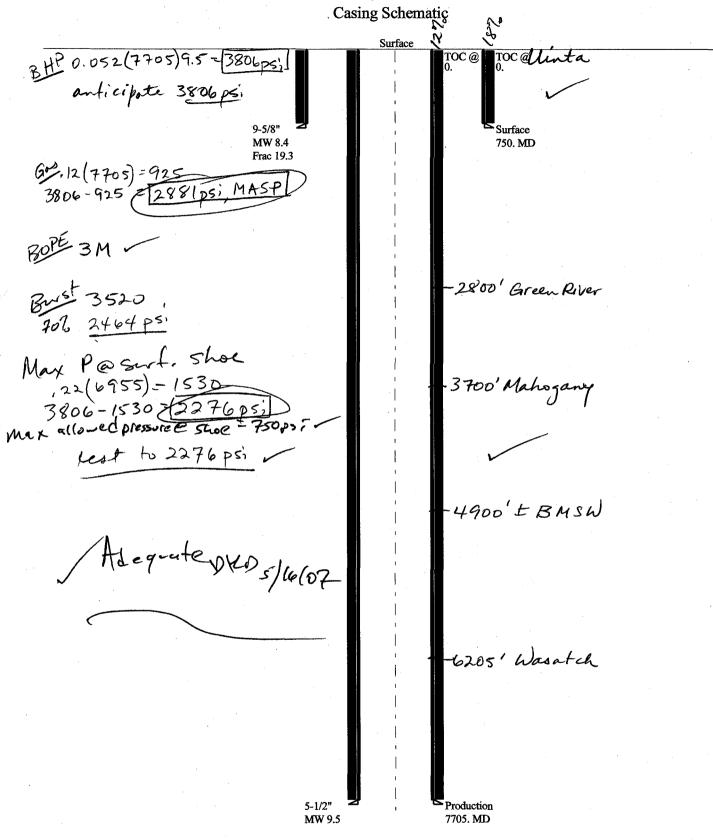
Characteristics / Requirements

70' x 150' x 12' deep, located on the northwest corner with in an area of cut. A 10' wide bench is planned around the outer edges. The pit will be lined and the reserve pit backfill will be stockpiled above the pit. Two feet of freeboard is provided.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

Other Observations / Comments

Floyd Bartlett 4/24/2007
Evaluator Date / Time



Well name:

2007-05 Questar RW 23-32BW

Operator:

Questar Exploration & Production, CO.

String type:

Surface

Project ID:

43-047-39182

Location:

Uintah County

Minimum design factors: **Environment:**

Collapse

Mud weight: Design is based on evacuated pipe.

Design parameters:

8.400 ppg

Collapse: Design factor

1.125

H2S considered?

Surface temperature:

No 75 °F

Bottom hole temperature: Temperature gradient:

86 °F 1.40 °F/100ft

Minimum section length:

450 ft

Burst:

Design factor

1.00

Cement top:

Surface

Burst

Max anticipated surface

No backup mud specified.

pressure:

660 psi

Internal gradient: Calculated BHP

0.120 psi/ft 750 psi

Tension:

8 Round STC: 8 Round LTC:

1.80 (J) 1.60 (J) **Buttress:** Premium:

Body yield:

1.50 (J) 1.50 (B)

1.80 (J)

Tension is based on buoved weight. **Neutral** point:

657 ft

Re subsequent strings:

Non-directional string.

Next setting depth: Next mud weight:

7.705 ft 9.500 ppg 3,802 psi

Next setting BHP: Fracture mud wt: Fracture depth: Injection pressure:

19.250 ppg 750 ft 750 psi

Run Segment Nominal End True Vert Measured Drift Internal Seq Length Size Weight **Grade Finish** Depth Depth Diameter Capacity (lbs/ft) (ft) (ft) (in) (ft³) (ft) (in) 750 9.625 36.00 ST&C 750 750 8.796 325.5 1 J-55 Collapse Collapse **Tension** Run Collapse **Burst** Burst Burst **Tension** Tension Load Strenath Design Load Strength Design Load Strength Design Sea (psi) **Factor** (psi) (psi) **Factor** (Kips) (Kips) **Factor** (psi) 1 327 2020 6.172 750 3520 4.69 24 394 16.66 J

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Minerals

Phone: 801-538-5357 FAX: 801-359-3940

Date: May 8,2007 Salt Lake City, Utah

Collapse is based on a vertical depth of 750 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

2007-05 Questar RW 23-32BW

Operator:

Questar Exploration & Production, CO.

String type:

Production

Project ID:

43-047-39182

Location:

Uintah County

Design parameters:

Collapse

Mud weight:

9.500 ppg

Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125 **Environment:**

H2S considered?

No Surface temperature: 75 °F

Bottom hole temperature: Temperature gradient:

Non-directional string.

183 °F 1.40 °F/100ft

Minimum section length: 1,500 ft

Burst:

Design factor

1.00

1.80 (J) 1.80 (J)

1.60 (J)

Cement top:

Surface

Burst

Max anticipated surface

pressure:

2,107 psi

Internal gradient: Calculated BHP

0.220 psi/ft 3,802 psi

No backup mud specified.

Tension:

8 Round STC: 8 Round LTC: **Buttress:**

Premium:

1.50 (J) Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point:

6,646 ft

| Run Seq | Segment Length | Size | Nominal Weight | Grade | End Finish | True Vert Depth | Measured Depth | Drift Diameter | Internal Capacity |
|------------|-------------------|----------|-------------------|-------|---------------|--------------------|-------------------|-------------------|----------------------|
| | (ft) | (in) | (lbs/ft) | | | (ft) | (ft) | (in) | (ft³) |
| 2 | 7000 | 5.5 | 15.50 | J-55 | LT&C | 7000 | 7000 | 4.825 | 935.5 |
| 1 | 705 | 5.5 | 17.00 | J-55 | LT&C | 7705 | 7705 | 4.767 | 92 |
| Run | Collapse | Collapse | Collapse | Burst | Burst | Burst | Tension | Tension | Tension |
| Seq | Load | Strength | Design | Load | Strength | Design | Load | Strength | Design |
| | (psi) | (psi) | Factor | (psi) | (psi) | Factor | (Kips) | (Kips) | Factor |
| 2 | 3455 | 4040 | 1.169 | 3647 | 4810 | 1.32 | 103 | 217 | 2.10 J |
| 1 | 3802 | 4910 | 1.291 | 3802 | 5320 | 1.40 | -5 | 247 | -46.29 J |

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Minerals

Phone: 801-538-5357

FAX: 801-359-3940

Date: May 8,2007 Salt Lake City, Utah

Collapse is based on a vertical depth of 7705 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

April 4, 2007

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2007 Plan of Development Red Wash Unit, Uintah County,

Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Red Wash Unit, Uintah County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Wasatch)

43-047-39182 RW 23-32BW Sec 32 T07S R23E 2131 FSL 1751 FWL 43-047-39183 RW 21-32BW Sec 32 T07S R23E 0859 FNL 1449 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

pcc:

File - Red Wash Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron

MCoulthard:mc:4-4-07



STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING

FORM 3

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| D. T/DE OF 1451 | Поч | □ a.a. o . | | CTNC! F | 70NF | | | - | | N/A | 7 | |
| B. TYPE OF WELI | | ☑ GAS OT | HER | SINGLE | ZONE MULTIP | LE ZONE | | ľ | | CA AGREEN | | |
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| 2. NAME OF OPE | | FAD EVDI O | ATION A PROPER | | | | | | 9. WELL NA | ME and NUI | | |
| 0 ADDDEGG 05 | | IAR EXPLO | RATION & PRODUC | | · | | | \dashv | | RW 23- | | |
| 3. ADDRESS OF 0 | | VERNAL STA | TE UT ZIP 84 | 078 1 | PHONE NUMBER: | 1022 | | [| 10. FIELD A | ND POOL, O | | |
| 4. LOCATION OF | Marie Marie Control of the Control | | | <u> </u> | (435) 781-4 | | | | 11 OTB/OT | | | GGS SHIP, RANGE, |
| AT SURFACE: | *. | • | 640113 X | | 40.17 | 0468 | | | MERIC | - | i, IOVVINS | onir, RANGE, |
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| | | | | | | | | | | | | |
| 15. DISTANC | | ROPERTY OR 1 51 ' + / - | LEASE LINE(FEET) | 16. | NUMBER OF ACRES | IN LEASE: | | 17. | NUMBER O | F ACRES AS 40 | | TO THIS WELL: |
| | 175 |) T/- | | | 640 | | | | | 40 | | |
| | | | , COMPLETED, OR | 19. | PROPOSED DEPTH | | | 20. B | OND DESC | RIPTION: | | · · · · · · · · · · · · · · · · · · · |
| | APPLIED FOR) OF | | FEET) | | 7705' | | | ŀ | 9650030 | 33 | | |
| 21 ELEVATIONS | 16 S (SHOW WHETHE | 90' +/- | TC): | 22 | ADDDOYIMATE DATE | WORK W | II STADT | 23 | 23. ESTIMATED DURATION: | | | |
| ZI. LLL VATION | 5380.7' GR | -11 DI , 111, OI1, | | | 22. APPROXIMATE DATE WORK WILL START: 23. ESTIMATED DURATION: 4SAP 10 DAYS | | | | | | | |
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| 24 | | <u> </u> | The state of the s | ED C | ASING AND CEM | | | | <u></u> | | | |
| SIZE OF HOLE | | | D WEIGHT PER FOOT | | SETTING DEPTH | | TYPE, QUAN | | IELD, AND | SLURRY WE | IGHT | |
| 12 1/4" | 9 5/8" | J-55 | 36 lb/ft (new) ST | | 750' | SEE 8-I | POINT DRILL | ING | | | | |
| 7 7/8" | 5 1/2" | J-55 | 15.5 lb (new) LT | | 7000' | | | | | | | |
| 7 7/8" | 5 1/2" | J-55 | 17 lb (new) LTG | - - | 7705' | | | | | | | |
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| ☑ EVIDNECE OF | DIVISION OF WATE | ER RIGHTS APPE | OVAL FOR USE OF WATE | :R | ☐ FORM | 5, IF OPERA | ATOR IS PERSO | ON OR | COMPANY C | THER THAN | THE LEAS | SE OWN! |
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| NAME (PLEAS | SE P RINT) | Jar | Nelson | | | TITLE | Regulato | ory Af | fairs | | | <u></u> |
| | 16 | 1 1 | , | | | | | | | | | |
| SIGNATURE | AM | 764 | 2/ | | | DATE | 3/21/07 | | | | | |
| (This space for S | tate use only) | | · · · · · · · · · · · · · · · · · · · | | | | | | | | | |
| • | | راي | | | | | | | | | | |
| API NUMBER | ASSIGNED: | 45-0 | 47 -3918 | | AP | PROVAL: | | | | | | |
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(11/2001)

Approved by the Utah Division of Oil, Gas and Mining

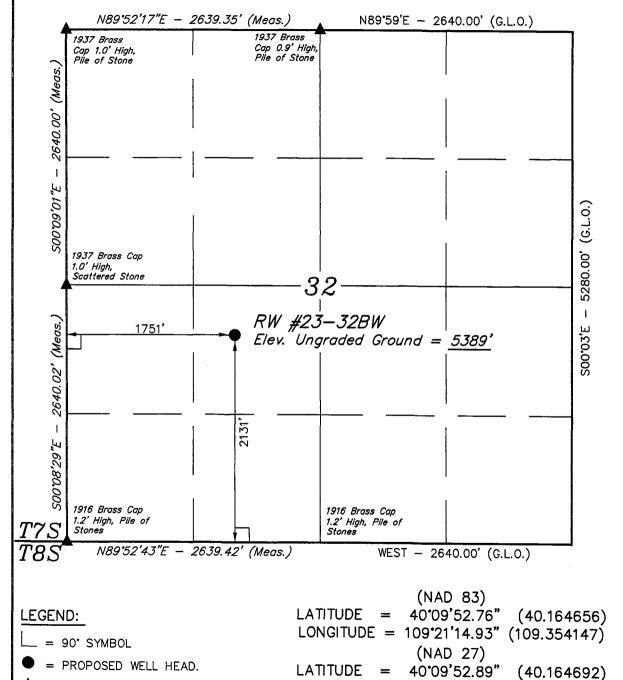
(See Instruction on Reverse Side)

RECEIVED MAY 0 3 2007

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

T7S, R23E, S.L.B.&M.



LONGITUDE = $109^{\circ}21'12.47''$ (109.353464)

= SECTION CORNERS LOCATED.

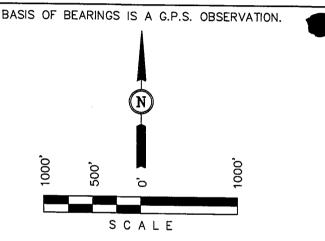
QUESTAR EXPLR. & PROD.

Well location, RW #23-32BW, located as shown in the NE 1/4 SW 1/4 of Section 32, T7S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLANAS FREE FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY THE OF THE SUPERVISION AND THAT THE SAME ARE THE AND CORRECT THE
BEST OF MY KNOWLEDGE AND BEHEE

REGISTRATION NO. 19

UINTAH ENGINEERING & LANDOURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017

SCALE DATE SURVEYED: DATE DRAWN: 1" = 1000'01-19-07 01-22-07 PARTY REFERENCES D.A. B.M. S.L. G.L.O. PLAT WEATHER FILE COLD QUESTAR EXPLR. & PROD.





MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA Division Director

September 17, 2007

Questar Exploration & Production, CO 1571 E 1700 S Vernal, UT 84078

Re:

RW 23-32BW Well, 2131' FSL, 1751' FWL, NE SW, Sec. 32, T. 7 South, R. 23 East,

Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39182.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Uintah County Assessor

SITLA

Bureau of Land Management, Vernal Office



| Operator: | | Questar Exploration & Production, CO | | | | | |
|--------------------|---------|--------------------------------------|-----------|---|--|--|--|
| Well Name & Number | | RW 23-32BW | | | | | |
| API Number: | | 43-047-39182 | | | | | |
| Lease: | | UTO-02025-ST | | _ | | | |
| Location: NE SW | Sec. 32 | T 7 South | R 23 Fact | | | | |

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment contact Dan Jarvis
- 24 hours prior to spudding the well contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well contact Dustin Doucet
- Any changes to the approved drilling plan contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

| • | Dan Jarvis at: | (801) 538-5338 office | (801) 942-0873 home |
|---|-------------------|-----------------------|---------------------|
| • | Carol Daniels at: | (801) 538-5284 office | |
| • | Dustin Doucet at: | (801) 538-5281 office | (801) 733-0983 home |

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Page 2 43-047-39182 September 17, 2007

- 4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
- 5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

From:

Ed Bonner

To:

Mason, Diana

Date:

9/14/2007 5:12 PM

Subject:

Well Clearance

Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

EOG Resources, Inc

Chapita Wells Unit 732-32 (API 43 047 39599)

Chapita Wells Unit 731-32 (API 43 047 39582)

Questar Exploration & Production Company

RW 23-32BW (API 43 047 39182)

RW 21-32BW (API 43 047 39183)

Petro-Canada Resources (USA), Inc

State 32-11 (API 43 015 30734)

Williams Production RMT Company

State Reservation Ridge 42-2 (API 43 013 33758)

If you have any questions regarding this matter please give me a call.

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES



| DIVISION OF OIL, GAS AND MINING | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTO-02025-ST |
|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to | 7. UNIT OF CA AGREEMENT NAME: RED WASH UNIT |
| drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. 1. TYPE OF WELL OIL WELL GAS WELL OTHER | 8. WELL NAME and NUMBER: |
| 2. NAME OF OPERATOR: | RW 23-32BW 9. API NUMBER: |
| QUESTAR EXPLORATION AND PRODUCTION COMPANY 3. ADDRESS OF OPERATOR: PHONE NUMBER: | 4304739182 10. FIELD AND POOL, OR WILDCAT: |
| 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 (435) 781-4331 | RED WASH |
| 4. LOCATION OF WELL | COUNTY: UINTAH |
| FOOTAGES AT SURFACE: 2131' FSL 1751' FWL | COUNTY: OINTAIT |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 32 7S 23E | STATE: UTAH |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO | RT, OR OTHER DATA |
| TYPE OF SUBMISSION TYPE OF ACTION | DEDECIONATE OF INDENT CODMATION |
| NOTICE OF INTENT (Submit in Duplicate) ACIDIZE DEEPEN ALTER CASING FRACTURE TREAT | REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL |
| Approximate date work will start: CASING REPAIR NEW CONSTRUCTION | TEMPORARILY ABANDON |
| CHANGE TO PREVIOUS PLANS OPERATOR CHANGE | TUBING REPAIR |
| CHANGE TUBING PLUG AND ABANDON | VENT OR FLARE |
| SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK | WATER DISPOSAL |
| (Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/RESUME) | WATER SHUT-OFF |
| Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE | OTHER: Name Change |
| CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION | |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volume | es, etc. |
| Questar Exploration and Production Company proposes to change the well name on the RV | V 23-32BW to RW 23-32BD. |
| | |
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| Ammunum at Inc. Alex | |
| Approved by the Utah Division of | |
| Oil, Gas and Mining | |
| on, aus una mining | |
| Det 01 79 08 00 | |
| COPY SENT TO OPERATOR Date: 01-75-05 | |
| Date: 1-29-2008 By: Frodull | |
| Initials: 14-5 | |
| THE CAMPBELL PROPERTY OF THE P | |
| NAME (PLEASE PRINT) Jan Nelson TITLE Regulatory Affair | s |
| 1/23/2008 | |
| SIGNATURE DATE 1723/2008 | |
| (This space for State use only) | |
| // | RECEIVED |

JAN 2 5 2008



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

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| | | | | | | | FOR | м 9 |

| | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTO-02025-ST | | | |
|---|---|-----------------------------|------------------------------|---|
| SUNDR | Y NOTICES AND REPOR | TS ON WELL | S | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill drill horizontal | new wells, significantly deepen existing wells below laterals. Use APPLICATION FOR PERMIT TO DRI | current bottom-hole depth, | reenter plugged wells, or to | 7. UNIT OF CA AGREEMENT NAME: RED WASH UNIT |
| 1. TYPE OF WELL OIL WELL | | | | 8. WELL NAME and NUMBER: RW 23-32BD |
| 2. NAME OF OPERATOR: | NI AND DOODUGTION COND | A 1 D 2 | | 9. API NUMBER: |
| QUESTAR EXPLORATION 3. ADDRESS OF OPERATOR: | ON AND PRODUCTION COMP. | | HONE NUMBER: | 4304739182 10. FIELD AND POOL, OR WILDCAT: |
| | TY VERNAL STATE UT | | (435) 781-4331 | RED WASH |
| 4. LOCATION OF WELL | | | | |
| FOOTAGES AT SURFACE: 2131' | FSL 1751' FWL | | | COUNTY: UINTAH |
| QTR/QTR, SECTION, TOWNSHIP, RAI | NGE, MERIDIAN: NESW 32 7S | 23E | | STATE: UTAH |
| 11. CHECK APP | ROPRIATE BOXES TO INDICA | ATE NATURE O | F NOTICE, REPO | RT, OR OTHER DATA |
| TYPE OF SUBMISSION | | | E OF ACTION | |
| ✓ NOTICE OF INTENT | ACIDIZE | ✓ DEEPEN | | REPERFORATE CURRENT FORMATION |
| (Submit in Duplicate) | ALTER CASING | FRACTURE TE | REAT | SIDETRACK TO REPAIR WELL |
| Approximate date work will start: | CASING REPAIR | NEW CONSTR | CUCTION | TEMPORARILY ABANDON |
| | CHANGE TO PREVIOUS PLANS | OPERATOR C | HANGE | TUBING REPAIR |
| | CHANGE TUBING | PLUG AND AB | ANDON | VENT OR FLARE |
| SUBSEQUENT REPORT (Submit Original Form Only) | CHANGE WELL NAME | PLUG BACK | | WATER DISPOSAL |
| Date of work completion: | CHANGE WELL STATUS | PRODUCTION | (START/RESUME) | WATER SHUT-OFF |
| · | COMMINGLE PRODUCING FORMATION | NS RECLAMATION | N OF WELL SITE | OTHER: |
| | CONVERT WELL TYPE | RECOMPLETE | -DIFFERENT FORMATION | * |
| 12. DESCRIBE PROPOSED OR C | OMPLETED OPERATIONS. Clearly show a | all pertinent details inclu | ding dates, depths, volume | es, etc. |
| 16,900'. The proposed ch | Production Company (QEP) pro langes require a change in casi anges. Also, QEP has need to e | ing design and ce | ement design. Attac | approved total depth of 7705' to ched is a new 8-point Drilling Plan te the larger Drilling Rig that is |
| | Approved by the | | | |
| | Utah Division of | | | |
| | Oil, Gas and Mining | | MECE | IMEW |
| | | | | |
| _ | . 901 200 ACR | | JAN 2 | 8 2008 IIU |
| PY SENT TO OPERATOR | ate: 01-65-99 | A | n n | 2000 |
| D | " Frally | ע | L | |
| 1-29-2008 P | A: Drayning | 7 | DIV OF OIL, G | AS & MINING |
| ials: KS | | | | |
| NAME (PLEASE PRINT) Jan Nelso | on | TITLE | Regulatory Affairs | 3 |
| SIGNATURE (1) | 1/(1/5) | DATE | 1/28/2008 | |
| | | | | |
| This space for State use only) | | | | |
| :/ | | | | |

Federal Approval of this Action is Necessary

CONFIDENTIAL

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta | Surface |
| Green River | 2,845' |
| Wasatch | 6,245' |
| Mesaverde | 8,805' |
| Castlegate | 11,265' |
| Blackhawk | 11,565' |
| Mancos Shale | 12,095' |
| Mancos B | 12,570° |
| Frontier | 15,255' |
| Dakota Silt | 16,175' |
| Dakota | 16,355' |
| Morrison | 16,805 |
| TD | 16,900' |

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

| Substance | Formation | <u>Depth</u> |
|-----------|------------------|--------------|
| Gas | Wasatch | 6,245' |
| Gas | Mesaverde | 8,805 |
| Gas | Blackhawk | 11,565' |
| Gas | Mancos Shale | 12,095 |
| Gas | Mancos B | 12,570' |
| Gas | Dakota | 16,355 |

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

DRILLING PROGRAM

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

3. Operator's Specification for Pressure Control Equipment:

- A. 11" 5000 psi double gate, 5,000 psi annular BOP (schematic included) from surface hole to 7" casing point. 10,000 psi 13-5/8" equipment may be substituted for the 5000 psi equipment.
- B. 11" 10,000 psi double gate, 10,000 psi single gate, 10,000 psi annular BOP (schematic included) from 7" casing point to total depth. 13-5/8" 10,000 psi equipment may be substituted for the 11" 10,000 psi equipment.
- C. Functional test daily
- D. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- E. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 10M system and individual components shall be operable as designed.

DRILLING PROGRAM

4. Casing Design:

| Hole Size | Csg. Size | Top (MD) | Bottom (MD) | Wt. | Grade | Thread | Cond. |
|--------------|--------------|-------------|-------------|---------------|---------|--------|-------|
| 26" | 20" | Sfc | 40-60' | Steel | Cond. | None | Used |
| 14-3/4" | 10-3/4" | Sfc | 1100' | 40.5 | J-55 | STC | New |
| 8-1/2" | 7" | Sfc | 9000' | 26 | HCP-110 | LTC | New |
| 8-1/2" | 7" | 9000' | 11,500' | 29* SDrift | HCP-110 | LTC | New |
| 6-1/8" | 4-1/2" | sfc | 13,000' | 15.1 | P-110 | LTC | New |
| 6-1/8" | 4-1/2" | 13,000' | 15,000' | 15.1 | Q-125 | LTC | New |
| 6-1/8" | 4-1/2" | 15,000' | 16,900' | 17.1 | Q-125 | LTC | New |

| Casing Strengths: | | | Collapse | Burst | Tensile (minimum) | |
|-------------------|----------|---------|----------|------------------|----------------------|-------------|
| 10-3/4" | 40.5 lb. | J-55 | STC | 1,580 psi | 3,130 psi | 420,000 lb. |
| 7" | 26 lb. | HCP-110 | LTC | 7,800 psi | 9,950 psi | 693,000 lb. |
| 7" | 29 lb.* | HCP-110 | LTC | 9,200 psi | 11,220 psi | 797,000 lb. |
| 4-1/2" | 15.1 lb. | P-110 | LTC | 14,350 psi*** | 14,420 psi | 406,000 lb. |
| 4-1/2" | 15.1 lb. | Q-125 | LTC | 15,840 psi*** | 16,380 psi | 438,000 lb. |
| 4-1/2" | 17.1 lb. | Q-125 | LTC | 19,010 psi*** | 18,130 psi | 493,000 lb. |

* Special Drift

MINIMUM DESIGN FACTORS:

COLLAPSE: 1.0 – 1.3***

BURST: 1.10 TENSION: 1.80

DRILLING PROGRAM

Area Fracture Gradient:

0.9 psi/foot

Maximum anticipated mud weight: 15.1 ppg for hole stability and not pore pressure

Maximum surface treating pressure: 12,500 psi

5. **Auxiliary Equipment**

A. Kelly Cock – yes

- B. Float at the bit - yes
- C. Monitoring equipment on the mud system - visually and/or PVT/Flow Show
- Full opening safety valve on the rig floor yes D.
- E. Rotating Head - yes If drilling with air the following will be used:
- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- Blooie line ignition shall be provided by a continuous pilot (ignited when drilling G. below 500').
- Compressor shall be tied directly to the blooie line through a manifold. H.
- I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 13.6 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

6. Testing, logging and coring program

- A. Cores – none anticipated
- В. DST – none anticipated

DRILLING PROGRAM

- C. Logging Mud logging 4500' to TD

 GR-SP-Induction, Neutron Density, FMI/Sonic Scanner
- Formation and Completion Interval: Mancos interval, final determination of completion will be made by analysis of logs.
 Stimulation Stimulation will be designed for the particular area of interest as encountered.

7. Cementing Program

20" Conductor:

Cement to surface with construction cement.

10-3/4" Surface Casing: sfc – 1100' (MD)

Slurry: 0' - 1100'. 1020 sxs (1224 cu ft) Premium cement + 0.25 lbs/sk Flocele + 2% CaCl₂ Slurry wt: 15.6 ppg, slurry yield: 1.20 ft³/sx, slurry volume: 12/1/4" hole + 100% excess.

7" Intermediate Casing: sfc - 11,500' (MD)

Foamed Lead Slurry 2: Sfc – 10,900'. 1058 sks (2073 cu ft) 50/50 Poz Premium + 5 lb/sk silicalite compacted light weight additive + 20% SSA-1 additive + 0.3% FDP-C766-05 fluid loss + 0.2% Versaset thixotropic additive + 1.5% Zonesealant 2000 foamer. Slurry wt: 14.3 ppg, foamed 11.5 ppg, Slurry yield: 1.48 ft³/sk, Slurry yield foamed: 1.96 ft³/sk, Slurry volume: 8-1/2" hole + 50% excess.

Tail Slurry: 10,900' – 11,500'. 91 sks (135 cu ft) of 50/50 Poz Premium + 5 lb/sk silicalite compacted light weight additive + 20% SSA-1 additive + 0.3% FDP-C766-05 fluid loss + 0.2% Versaset thixotropic additive. Slurry wt: 14.3 ppg, Slurry yield: 1.48 ft³/sk, Slurry volume: 8-1/2" hole + 50% excess.

4-1/2" Production Casing: sfc - 16,900' (MD)

Lead/Tail Slurry: 6,000 - 16,900'. 782 sks (1283cu ft) Premium Cement + 0.5% HR-12 retarder + 35% SSA-1 + 0.2% Suspend HT + 0.4% Halad(R)-344 fluid loss + 0.3% Halad(R)-413 fluid loss + 0.4% Super CBL gas migration + 0.2% HR-25 retarder. Slurry wt: 15.25 ppg, Slurry yield: 1.64 ft³/sk, Slurry volume: 6-1/8" hole + 25% in open hole section.

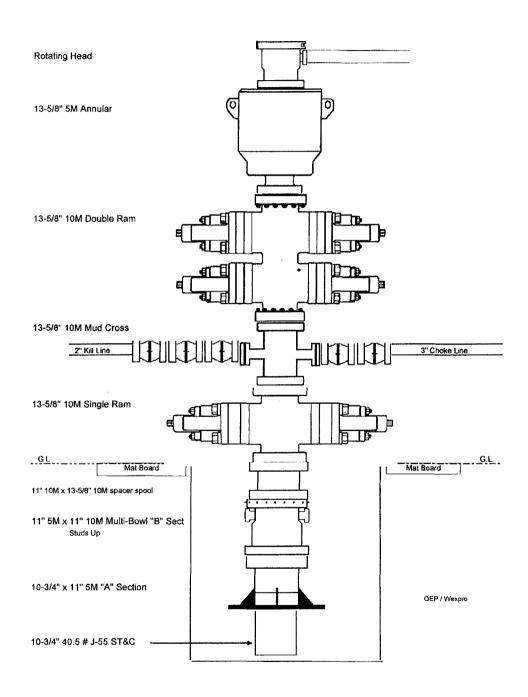
*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface on the intermediate string and 6,000' on the production string. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

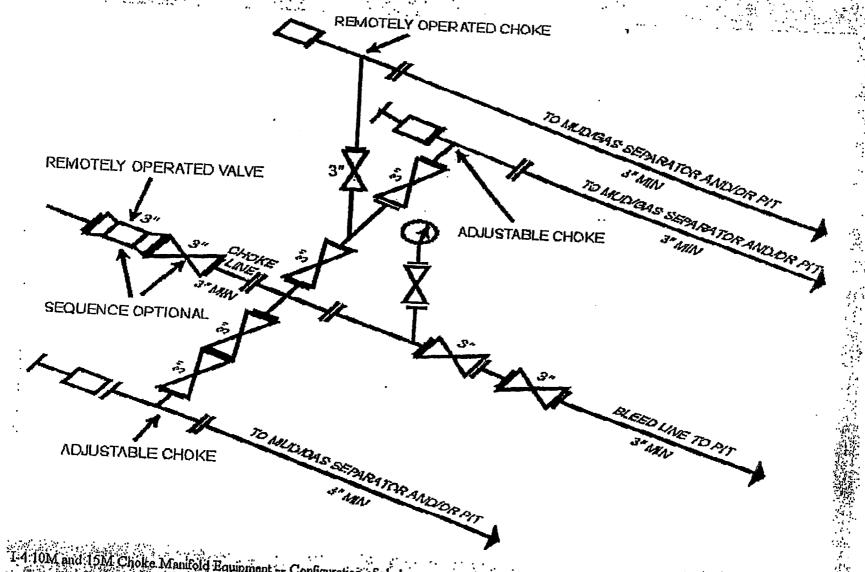
DRILLING PROGRAM

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

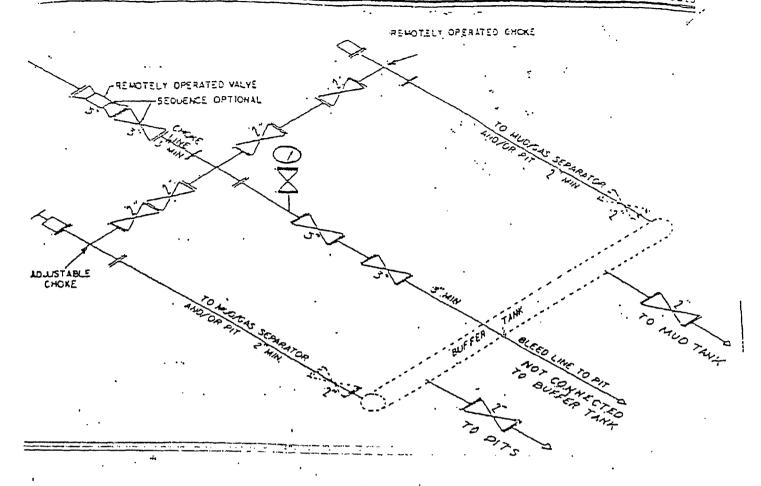
No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 10,000 psi. Maximum anticipated bottom hole temperature is 280° F.

DRILLING PROGRAM





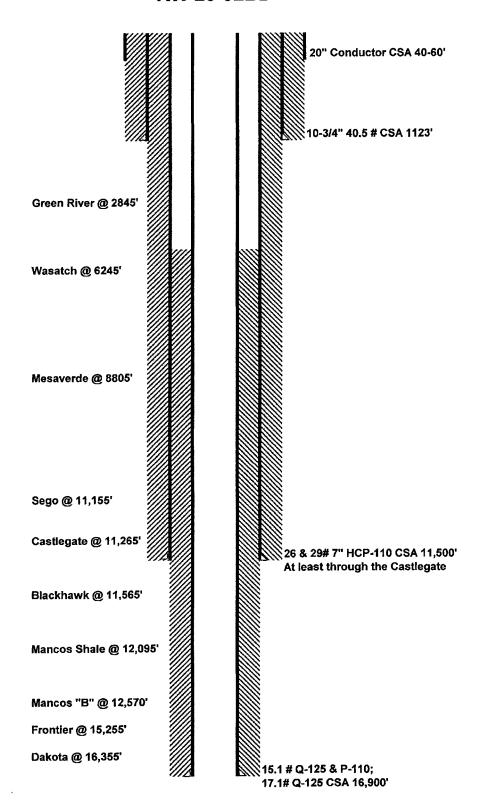
I-4:10M and 15M Choke Manifold Equipment - Configuration of chokes may vary



5M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

[FR Doc. 88-28738 Filed 11-17-88; 2:45 am]

RW 23-32BD



QUESTAR EXPLR. & PROD.

RW #23-32BD

LOCATED IN UINTAH COUNTY, UTAH SECTION 32, T7S, R23E, S.L.B.&M.

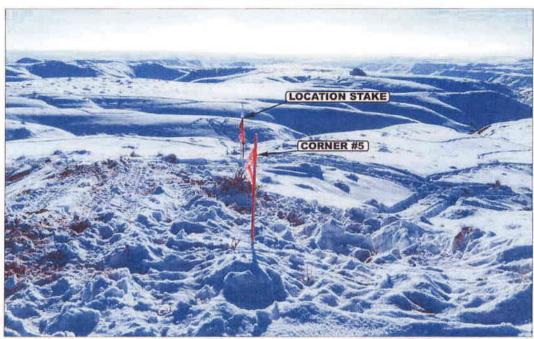


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY





T7S, R23E, S.L.B.&M. N89'59'E - 2640.00' (G.L.O.) N89°52'17"E - 2639.35' (Meas.) 1937 Brass Cap 0.9' High, Cap 1.0' High, Pile of Stone Pile of Stone (G.L.O.) 10,60.005 5280.00 1937 Brass Cap 1.0' High, Scattered Stone RW #23-32BD S00.03'E 1751' Elev. Unaraded Ground = 5389' 1916 Brass Cap 1916 Brass Cap 1.2' High, Pile of 1.2' High, Pile of N89'52'43"E - 2639.42' (Meas.) WEST - 2640.00' (G.L.O.) (NAD 83) LATITUDE = $40^{\circ}09'52.76"$ (40.164656)LEGEND: LONGITUDE = $109^{\circ}21^{\circ}14.93^{\circ}$ (109.354147) = 90° SYMBOL (NAD 27) = PROPOSED WELL HEAD. LATITUDE = $40^{\circ}09'52.89''$ (40.164692) LONGITUDE = $109^{\circ}21^{\prime}12.47^{\circ}$ (109.353464) = SECTION CORNERS LOCATED.

QUESTAR EXPLR. & PROD.

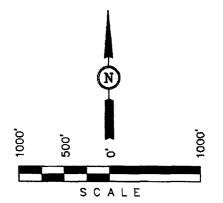
Well location, RW #23-32BD, located as shown in the NE 1/4 SW 1/4 of Section 32, T7S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ARMY THE PREPARED FROM FIELD NOTES OF ACTUAL SURVEY RELIES TO AND TO THE SUPERVISION AND THAT THE SAME ARE ROLL AND CORRECT TO THE BEST OF MY KNOWLEDGE AND FULLY.

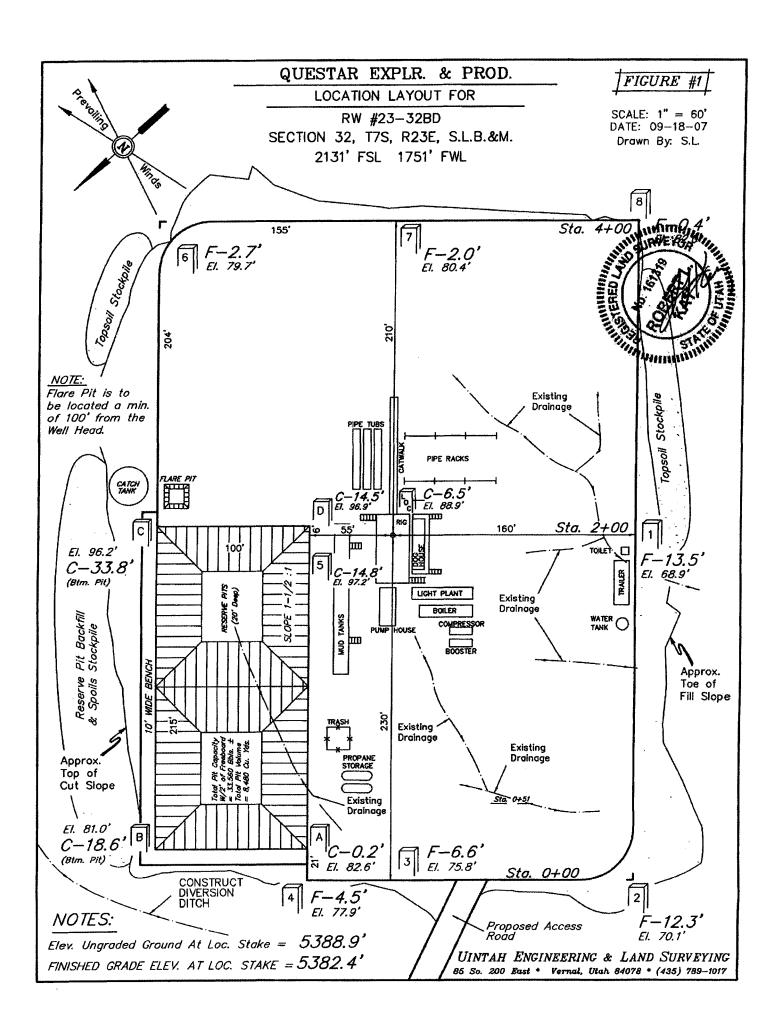
REVISED: 09-18-07

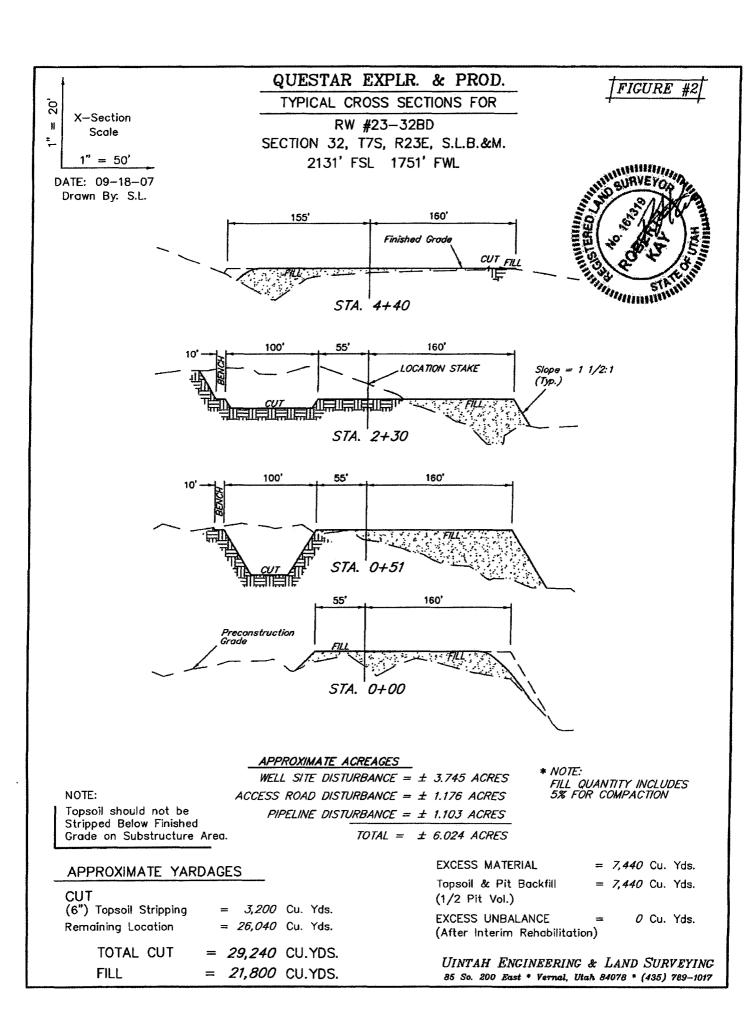
UINTAH ENGINEERING SURVEYING

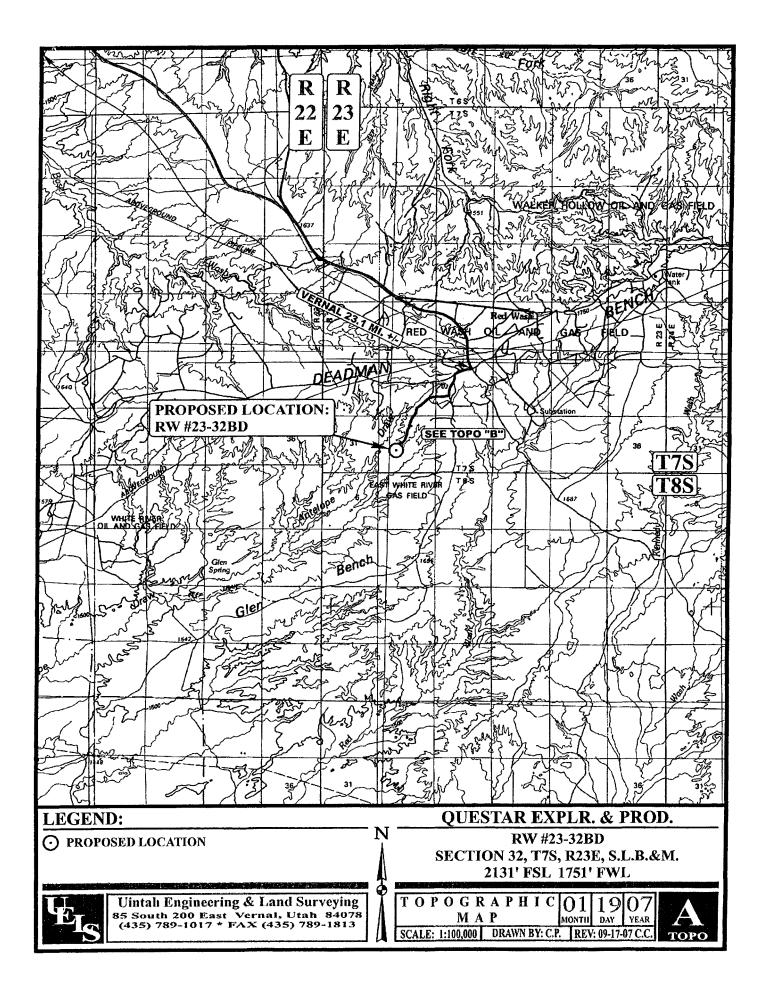
85 SOUTH 200 EAST - VERNAL, UTAH 84078

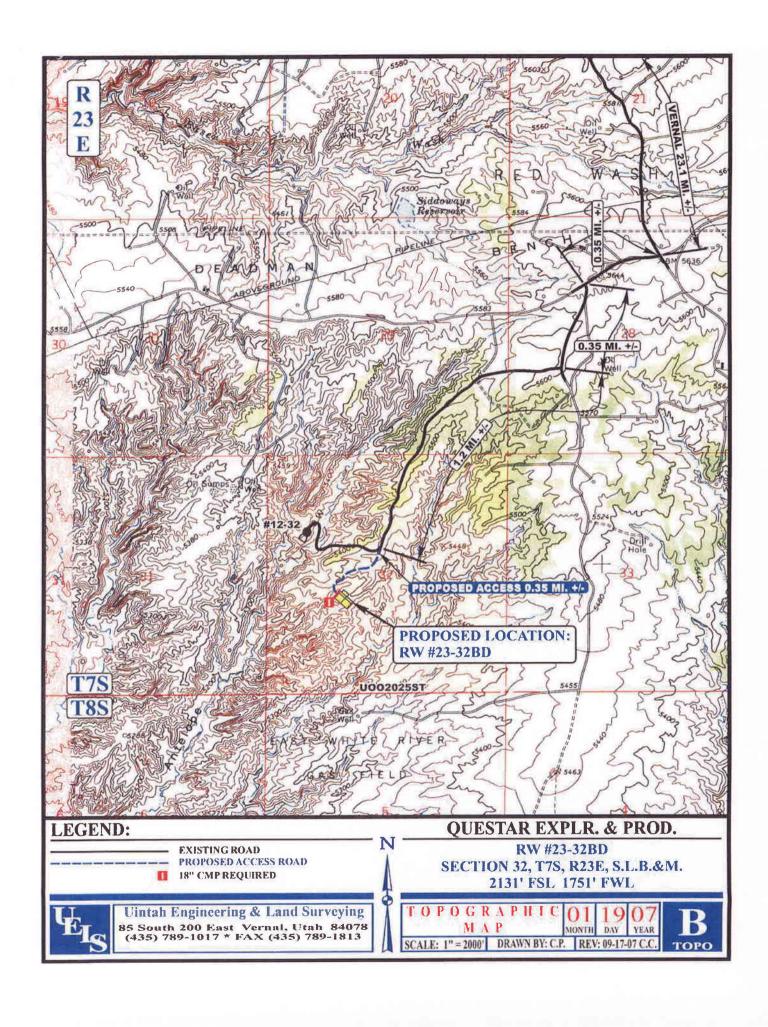
(435) 789-1017

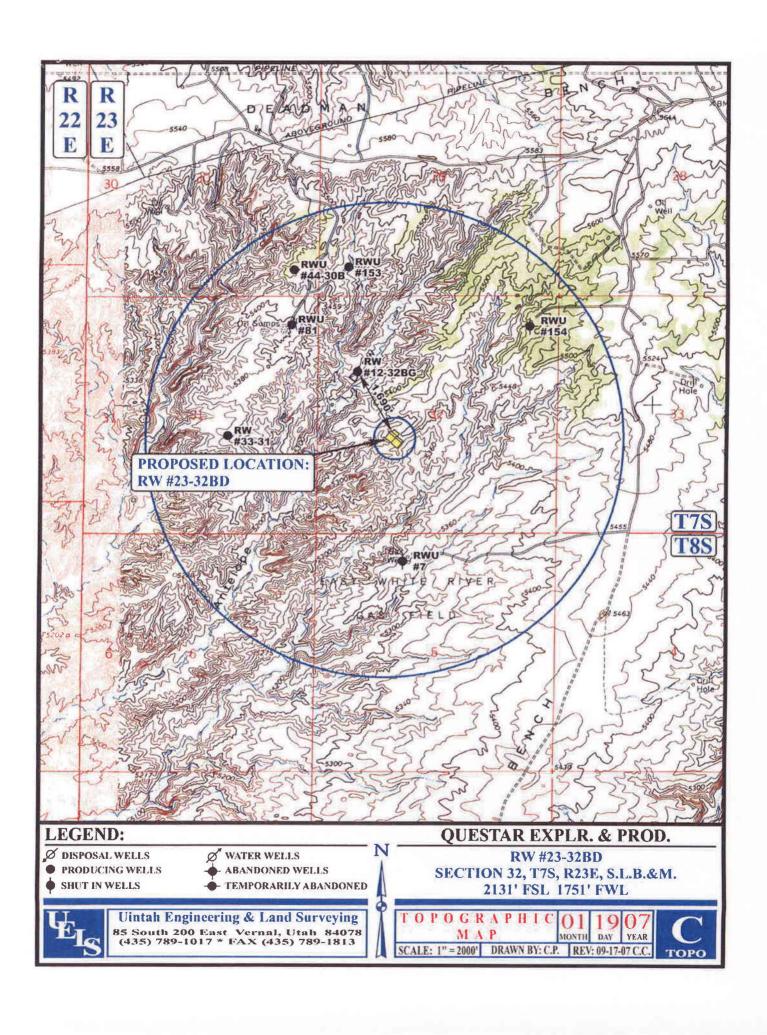
| SCALE 1" = 1000 | , | DATE SURVEYED: 01-19-07 | | | |
|--------------------|----------|----------------------------|----------------------|--|--|
| PARTY D.A. E | 3.M. S.1 | REFERENCES - G.L.O. P | LAT | | |
| WEATHER | | FILE | FILE | | |
| COLD | | OUESTAR EX | OUESTAR EXPLR & PROD | | |

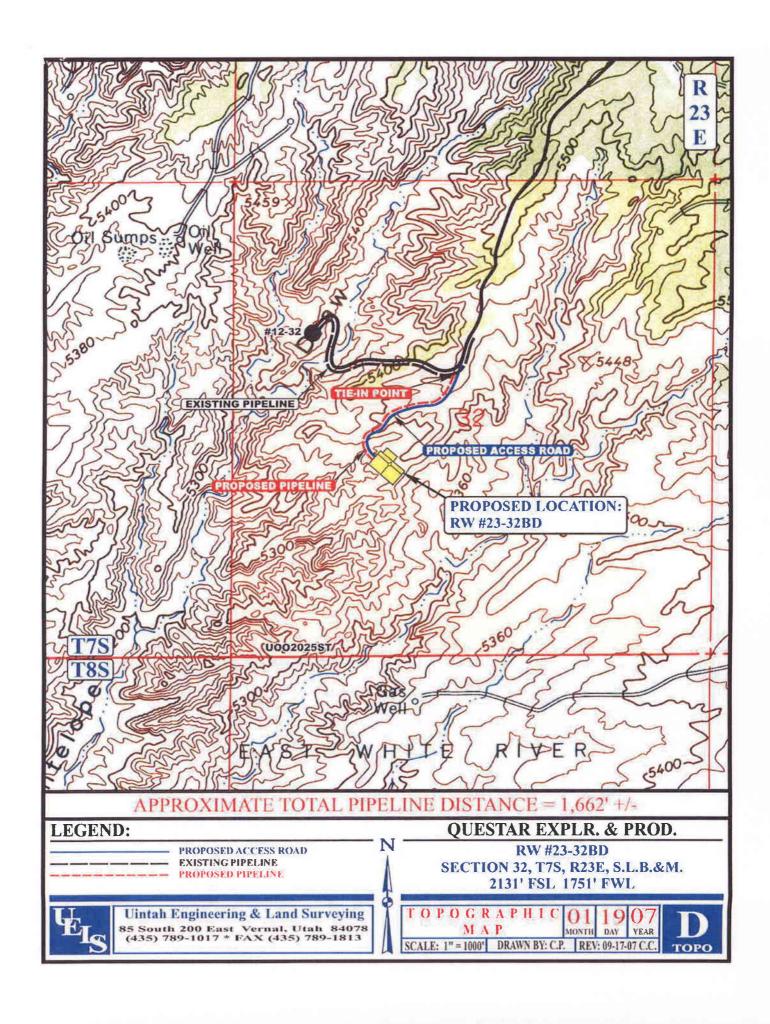












STATE OF UTAH

| STATE OF UTAH | FORM | | | |
|---|--|--|--|--|
| DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING | FIUENTIAL | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTO-02025-ST | | |
| SUNDRY NOTICES AND REPORTS ON WEL | LS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole dependrill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | oth, reenter plugged wells, or to als. | 7. UNIT OF CA AGREEMENT NAME: RED WASH UNIT | | |
| 1. TYPE OF WELL OIL WELL GAS WELL 7 OTHER | | 8. WELL NAME and NUMBER: RW 23-32BD | | |
| 2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION CO. | | 9. API NUMBER: 4304739182 | | |
| 3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 | PHONE NUMBER: (435) 781-4301 | 10. FIELD AND POOL, OR WILDCAT: RED WASH | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2131' FSL 1751' FWL | | COUNTY: UINTAH | | |

| | 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2131' FSL 1751' FWL COUNTY: UINTAH | | | | | | | | |
|---------|---|---------------------------------------|--|-------------------------------|--|--|--|--|--|
| Q | QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 32 7S 23E STATE: | | | | | | | | |
| 11. | CHECK APP | ROPRIATE BOXES TO INDICAT | TE NATURE OF NOTICE, REPO | ORT, OR OTHER DATA | | | | | |
| | TYPE OF SUBMISSION | | TYPE OF ACTION | | | | | | |
| <u></u> | NOTICE OF INTENT | ACIDIZE | DEEPEN | REPERFORATE CURRENT FORMATION | | | | | |
| 131 | (Submit in Duplicate) | ALTER CASING | FRACTURE TREAT | SIDETRACK TO REPAIR WELL | | | | | |
| | Approximate date work will start: | CASING REPAIR | NEW CONSTRUCTION | TEMPORARILY ABANDON | | | | | |
| | | CHANGE TO PREVIOUS PLANS | OPERATOR CHANGE | TUBING REPAIR | | | | | |
| | | CHANGE TUBING | PLUG AND ABANDON | VENT OR FLARE | | | | | |
| | SUBSEQUENT REPORT | CHANGE WELL NAME | PLUG BACK | WATER DISPOSAL | | | | | |
| | (Submit Original Form Only) | CHANGE WELL STATUS | PRODUCTION (START/RESUME) | WATER SHUT-OFF | | | | | |
| | Date of work completion: | COMMINGLE PRODUCING FORMATIONS | RECLAMATION OF WELL SITE | ✓ OTHER: APD EXTENSION | | | | | |
| | | CONVERT WELL TYPE | RECOMPLETE - DIFFERENT FORMATION | | | | | | |
| 12. | DESCRIBE PROPOSED OR CO | OMPLETED OPERATIONS. Clearly show all | pertinent details including dates, depths, volun | nes, etc. | | | | | |
| 0. | unator Evaloration 9 Dra | oduction Co. hereby requests a 1 | year extension on the RW 23-31 | ORD. | | | | | |

Approved by the Utah Division of Oil, Gas and Mining

| NAME (PLEASE PRINT) Laura Bills | TITLE | Associate Regulatory Affairs Analyst |
|---------------------------------|-------|--------------------------------------|
| SIGNATURE NAMA BILL | DATE | 9/11/2008 |

(This space for State use only)

TYPE OF WELL

2. NAME OF OPERATOR:

COPY SENT TO OPERATOR

(See Instructions on Reverse Side)

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

| API: Well Name: | 43-047-39182 RW 23-32BD | | |
|--------------------------|---------------------------------------|---|--|
| | | WL, NESW, SEC. 32, T7S, 1 QUESTAR EXPLORATION 9/17/2004 9 | |
| above, hereby | verifies that the | h legal rights to drill on information as submitt emains valid and does | |
| Following is a verified. | checklist of some | e items related to the a | pplication, which should be |
| - | rivate land, has t en updated? Yes | | I, if so, has the surface |
| | | the vicinity of the propo ents for this location? Y | osed well which would affect es⊡ No⊠ |
| | | er agreements put in p proposed well? Yes⊡N | lace that could affect the lo☑ |
| | | to the access route inc proposed location? Yes | luding ownership, or right- s□ No ☑ |
| Has the approv | ved source of wa | ater for drilling changed | l? Yes□No☑ |
| | ire a change in p | changes to the surface plans from what was di | location or access route scussed at the onsite |
| Is bonding still | in place, which o | covers this proposed w | rell? Yes ☑No □ |
| Signature | a Bill | <u> </u> | 9/11/2008 Date |
| Title: Associate | Regulatory Affairs A | Analyst | |
| Representing: | Questar Exploration | on & Production Co. | |
| _ | | | RECEIVED |
| | | | SEP 1 5 2008 |

| | STATE OF UTAH | | | | FORM 9 |
|---|---|-------------|----------------------------------|----------------|---|
| | DEPARTMENT OF NATURAL RESOUR DIVISION OF OIL, GAS, AND M | | j | | SE DESIGNATION AND SERIAL NUMBER: 02025-ST |
| | RY NOTICES AND REPORT | | _ | 6. IF I | NDIAN, ALLOTTEE OR TRIBE NAME: |
| | sals to drill new wells, significantly deepo ugged wells, or to drill horizontal laterals. | | | | T or CA AGREEMENT NAME: WASH |
| 1. TYPE OF WELL Gas Well | | | | | LL NAME and NUMBER: 3-32BD |
| 2. NAME OF OPERATOR: QUESTAR EXPLORATION & PR | ODUCTION CO | | | | NUMBER: 7391820000 |
| 3. ADDRESS OF OPERATOR: 11002 East 17500 South , Ve | rnal, UT, 84078 435 78 | P 1-4362 | PHONE NUMBER: Ext | | LD and POOL or WILDCAT: ESIGNATED |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2131 FSL 1751 FWL QTR/QTR, SECTION, TOWNSHI | IP, RANGE, MERIDIAN: | | | UINT | AH |
| | Township: 07.0S Range: 23.0E Meridiar | n: S | | STATE UTAH | |
| CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPOR | | | | | HER DATA |
| TYPE OF SUBMISSION | | | TYPE OF ACTION | | |
| | ☐ ACIDIZE | | ALTER CASING | | CASING REPAIR |
| NOTICE OF INTENT Approximate date work will start: 9/17/2010 | CHANGE TO PREVIOUS PLANS | | CHANGE TUBING | | CHANGE WELL NAME |
| | CHANGE WELL STATUS | | COMMINGLE PRODUCING FORMATIO | ns L | CONVERT WELL TYPE |
| SUBSEQUENT REPORT Date of Work Completion: | ☐ DEEPEN ☐ OPERATOR CHANGE | | FRACTURE TREAT | | NEW CONSTRUCTION PLUG BACK |
| | PRODUCTION START OR RESUME | _ | RECLAMATION OF WELL SITE | | RECOMPLETE DIFFERENT FORMATION |
| SPUD REPORT Date of Spud: | REPERFORATE CURRENT FORMATION | | SIDETRACK TO REPAIR WELL | | TEMPORARY ABANDON |
| · | U TUBING REPAIR | | VENT OR FLARE | | WATER DISPOSAL |
| DRILLING REPORT | ☐ WATER SHUTOFF | | SI TA STATUS EXTENSION | V | APD EXTENSION |
| Report Date: | WILDCAT WELL DETERMINATION | | OTHER | оті | HER: |
| 12. DESCRIBE PROPOSED OR CO | DMPLETED OPERATIONS. Clearly show all p | ertinen | t details including dates, depth | ıs, volumes, | etc. |
| | and Production Company h | | | r | Annuared by the |
| extensi | on for the APD on the above | capti | ioned well. | | Approved by the Utah Division of |
| | | | | | il, Gas and Mining |
| | | | | | G 4 1 00 2000 |
| | | | | Date: | September 09, 2009 |
| | | | | By: <u>(</u>) | sulfill |
| | | | | | 7/3 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| NAME (PLEASE PRINT) Jan Nelson | PHONE NUMBE 435 781-4331 | ER | TITLE Permit Agent | | |
| SIGNATURE N/A | | | DATE 9/8/2009 | | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047391820000

API: 43047391820000 **Well Name:** RW 23-32BD

Location: 2131 FSL 1751 FWL QTR NESW SEC 32 TWNP 070S RNG 230E MER S

Company Permit Issued to: QUESTAR EXPLORATION & PRODUCTION CO

Date Original Permit Issued: 9/17/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

| ire revision. Following is a checklist of some items related to the application, which should be verified. |
|--|
| If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No |
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No |
| Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No |
| Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No |
| • Has the approved source of water for drilling changed? 🔘 Yes 📵 No |
| Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No |
| • Is bonding still in place, which covers this proposed well? • Yes • No Utah Division of Oil, Gas and Mining |

Signature: Jan Nelson **Date:** 9/8/2009

Title: Permit Agent Representing: QUESTAR EXPLORATION & PRODUCTIO Pate: September 09, 2009

Bv:

Division of Oil, Gas and Mining OPERATOR CHANGE WORKSHEET

(for state use only)

| ROUTING | |
|---------|--|
| CDW | |

| Change of Operator (Well Sold) | | X - Operator Name Change | | | | | |
|--|-----------------------------|--------------------------|-------------------------------------|----------------|-----------------|-----------|-----------|
| The operator of the well(s) listed below has char | nged, effec | tive: | | | 6/14/2010 | <u> </u> | |
| FROM: (Old Operator): N5085-Questar Exploration and Production Compa 1050 17th St, Suite 500 Denver, CO 80265 | any | | | | pany e 500 | | |
| Phone: 1 (303) 308-3048 | | | Phone: 1 (303) | 308-3048 | | | |
| CA No. | | | Unit: | 300 3040 | RED W | /ASH | |
| WELL NAME | SEC TW | N RNG | API NO | ENTITY | LEASE TYPE | | WELL |
| | | | | NO | LEASE TITE | TYPE | STATUS |
| SEE ATTACHED | | | | | | | SIMICS |
| | | | | | | | |
| OPERATOR CHANGES DOCUMENT Enter date after each listed item is completed 1. (R649-8-10) Sundry or legal documentation was 2. (R649-8-10) Sundry or legal documentation was | s received | from the | FORMER ope | rator on: | 6/28/2010 | | |
| 3. The new company was checked on the Departi | nent of C | mom me | NEW operator | on: | 6/28/2010 | | |
| 4a. Is the new operator registered in the State of U | Jtah: | В | , Division of Co Business Number | rporations | 764611-0143 | | 6/24/2010 |
| 5a. (R649-9-2)Waste Management Plan has been re | ceived on: | | Requested | • | 704011-0143 | | |
| 5b. Inspections of LA PA state/fee well sites complete. 5c. Reports current for Production/Disposition & S 6. Federal and Indian Lease Wells: The BL | undries on | : : :he BIA h | n/a ok as approved the | merger, na | me change | | |
| or operator change for all wells listed on Federa | ıl or Indiar | leases o | n: | BLM | 8/16/2010 | BIA | not yet |
| 7. Federal and Indian Units: | | | • | | - | | not yet |
| The BLM or BIA has approved the successor 8. Federal and Indian Communization Ag | reements | ("CA") | : | - | 8/16/2010 | | |
| The BLM or BIA has approved the operator f | or all well: | s listed w | ithin a CA on: | | N/A | | |
| 9. Underground Injection Control ("UIC" |) Divisio | n has ap | proved UIC Fo | rm 5 Tran | sfer of Authori | ty to | |
| inject, for the enhanced/secondary recovery un | it/project f | or the wa | ter disposal well | (s) listed or | | 6/29/2010 | |
| DATA ENTRY: | | | | | _ | | |
| Changes entered in the Oil and Gas Database of Changes have been entered on the Monthly Op | on: | | 6/30/2010 | | | | |
| 3. Bond information entered in RBDMS on: | erator Cn | ange Spi | 6/30/2010 | - | 6/30/2010 | | |
| 4. Fee/State wells attached to bond in RBDMS on: | | - | 6/30/2010 | | | | |
| 5. Injection Projects to new operator in RBDMS o | n: | <u>-</u> | 6/30/2010 | | | | |
| 6. Receipt of Acceptance of Drilling Procedures for | | n/a | | | | | |
| BOND VERIFICATION: | | | | | | | |
| Federal well(s) covered by Bond Number: Indian well(s) covered by Bond Number: | | _ | ESB000024 | | | | |
| Dona Hamber. | | | 965010693 | | | | |
| 3a. (R649-3-1) The NEW operator of any state/fee | well(s) h | sted cover | red by Bond Nur | mber - | 965010695 | | |
| 3b. The FORMER operator has requested a release LEASE INTEREST OWNER NOTIFICA | OI Hability | y from the | eir bond on: | n/a | | | |
| 4. (R649-2-10) The NEW operator of the fee wells in the fee well in the fee wells in the fee well in the fee w | AIIUN: | onto et - d | and inc 11 | 1 | | | |
| of their responsibility to notify all interest owners | uas ucen co S of this ch | ange on: omacted (| and informed by | | m the Division | | |
| COMMENTS: | | -igo oii. | | n/a | | | |
| | | | | | | | |

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OU. GAS AND MINING

| | DIVISION OF OIL, GAS AND N | MINING | | 5. LEASE DESIGNATION AND SERIAL NUMBER See attached |
|--|--|---|--|---|
| SUNDR | Y NOTICES AND REPORT | TS ON WEL | LS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill | new wells, significantly deepen existing wells below (| current bottom-hole dep | oth, reenter plugged wells, or to | See attached 7. UNIT or CA AGREEMENT NAME: |
| 1 TYPE OF WELL OIL WELL | INCOME. GOS ALTERCATION FOR PERMIT TO DRIE | .L. torm for such proposa | als. | See attached 8. WELL NAME and NUMBER: |
| 2 NAME OF OPERATOR: | | | | See attached |
| Questar Exploration and | Production Company N5 | 1085 | | 9. API NUMBER: Attached |
| 3. ADDRESS OF OPERATOR: 1050 17th Street, Suite 500 | Denver STATE CO | ₁₂ 80265 | PHONE NUMBER: (303) 672-6900 | 10. FIELD AND POOL, OR WILDCAT: See attached |
| 4. LOCATION OF WELL | | | 1 (1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 | |
| FOOTAGES AT SURFACE: See a | Ittached | | | соинту: Attached |
| QTR/QTR, SECTION, TOWNSHIP, RAI | NGE, MERIDIAN: | | | STATE: |
| 11 CHECK APP | ROPRIATE BOYES TO INDICA | TE NATURE | OF NOTICE DECO | UTAH |
| TYPE OF SUBMISSION | ROPRIATE BOXES TO INDICA | | OF NOTICE, REPO | RT, OR OTHER DATA |
| ✓ NOTICE OF INTENT | ACIDIZE | DEEPEN | TPE OF ACTION | DESERVORATE OURSESS FORWARD |
| NOTICE OF INTENT (Submit in Duplicate) | ALTER CASING | FRACTURE | TREAT | REPERFORATE CURRENT FORMATION |
| Approximate date work will start: | CASING REPAIR | NEW CONST | | SIDETRACK TO REPAIR WELL |
| 6/14/2010 | CHANGE TO PREVIOUS PLANS | OPERATOR | | TEMPORARILY ABANDON |
| | CHANGE TUBING | PLUG AND A | - | TUBING REPAIR |
| SUBSEQUENT REPORT | CHANGE WELL NAME | PLUG BACK | | VENT OR FLARE |
| (Submit Original Form Only) | CHANGE WELL STATUS | _ | | WATER DISPOSAL |
| Date of work completion: | | | N (START/RESUME) | WATER SHUT-OFF |
| • | COMMINGLE PRODUCING FORMATIONS | | ON OF WELL SITE | ✓ other: Operator Name |
| | CONVERT WELL TYPE | | TE - DIFFERENT FORMATION | Change |
| 12 DESCRIBE PROPOSED OR CO | OMPLETED OPERATIONS. Clearly show all | pertinent details incl | luding dates, depths, volume | es, etc. |
| employees will continue to continue to be covered by Federal Bond Number: 96 Utah State Bond Number: Fee Land Bond Number: 7994 The attached document is | be responsible for operations of bond numbers: 65002976 (BLM Reference No. E $\frac{965003033}{965003033}$) $\frac{965003033}{965003033}$) $\frac{965003033}{965003033}$ | and no third partie of the propertie ESB000024) | s described on the a | ittached list. All operations will |
| NAME (PLEASE PRINT) MORGAN AN | derson And ona | TITLE | Regulatory Affairs | Analyst |
| | | DATE | | |
| nis space for State use only) | RECEIVED | | ADDO | 1 1000 |

(5/2000)

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

JUN 2 8 2010

APPROVED 61301 2009
Carley Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

Questar Exploration Production Company (N5085) to QEP Energy Company (N3700) RED WASH effective June 14, 2010

| well_name | sec | twp | rng | api | entity | mineral lease | type | stat | С |
|-------------|-----|------|------|------------|--------|------------------|------|------|---|
| RW 12-16B | 16 | 070S | 230E | 4304715177 | 5670 | State | OW | P | |
| RW 41-16B | 16 | 070S | 230E | 4304715292 | 5670 | State | OW | P | |
| RW 14-16B | 16 | 070S | 230E | 4304732785 | 5670 | State | OW | P | 1 |
| RW 34-16B | 16 | 070S | 230E | 4304732786 | 5670 | State | OW | P | *************************************** |
| RW 23-16B | 16 | 070S | 230E | 4304733084 | 5670 | State | D | PA | |
| RWU 21W-36A | 36 | 070S | 220E | 4304733730 | | State | GW | LA | |
| RWU 21G-36A | 36 | 070S | 220E | 4304733731 | | State | OW | LA | |
| RWU 41-36A | 36 | 070S | 220E | 4304733732 | | State | OW | LA | |
| RWU 43-16B | 16 | 070S | 230E | 4304733733 | | State | OW | LA | |
| RWU 21-16B | 16 | 070S | 230E | 4304733734 | | State | OW | LA | |
| RWU 11-36A | 36 | 070S | 220E | 4304733736 | | State | OW | LA | |
| RWU 13-36A | 36 | 070S | 220E | 4304733737 | | State | OW | LA | |
| RW 32G-16C | 16 | 070S | 240E | 4304735238 | 5670 | State | GW | P | |
| RW 14-36AMU | 36 | 070S | 220E | 4304736721 | | State | GW | LA | |
| RW 01-36BG | 36 | 070S | 230E | 4304736887 | 5670 | State | OW | P | |
| RW 24-16BG | 16 | 070S | 230E | 4304737746 | 5670 | State | OW | P | |
| RW 12-32BG | 32 | 070S | 230E | 4304737946 | 15841 | State | GW | P | |
| RW 23-32BD | 32 | 070S | 230E | 4304739182 | | State | GW | APD | C |
| RW 21-32BW | 32 | 070S | 230E | 4304739183 | | State | GW | APD | C |

Bonds: BLM = ESB000024 BIA = 956010693 State = 965010695



United States Department of the Interior



BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, UT 84145-0155 http://www.blm.gov/ut/st/en.html

IN REPLY REFER TO: 3100 (UT-922)

JUL 2 8 2010

Memorandum

To:

Vernal Field Office, Price Field Office, Moab Field Office Roja L Bankert

From:

Chief, Branch of Minerals

Subject:

Name Change Recognized

Attached is a copy of the Certificate of Name Change issued by the Texas Secretary of State and a decision letter recognizing the name change from the Eastern States Office. We have updated our records to reflect the name change in the attached list of leases.

The name change from Questar Exploration and Production Company into QEP Energy Company is effective June 8, 2010.

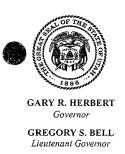
cc:

MMS

UDOGM

AUG 1 6 2010

DIV. OF OIL, GAS CALL.





MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining JOHN R. BAZA

Division Director

September 21, 2010

Questar Exploration & Production Co. 11002 East 17500 South Vernal, UT 84078

Re:

APD Rescinded - RW 23-32BD, Sec. 32, T.7S, R.23E,

Uintah County, Utah API No. 43-047-39182

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 17, 2007. On September 16, 2008 and September 9, 2009 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 21, 2010.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Environmental Scientist

cc: Well File

SITLA, Ed Bonner

